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This amendment shall become effective September 10, 1947.

Issued this 10th day of September 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-8388; Filed, Sept. 10, 1947; 9:31 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Subtitle A—Office of the Secretary of the Interior

[Order 2359]

PART 4—DELEGATIONS OF AUTHORITY

BUREAU OF LAND MANAGEMENT; DELEGATIONS TO DIRECTOR IN SPECIFIED MATTERS

Subparagraph (43) of § 4.275 (a), added by Order 2277 of November 20, 1946 (11 F. R. 13970), is amended by deleting therefrom the following: "and as supplemented by the act of September 20, 1922 (42 Stat. 857; 16 U. S. C. 594)."

(R. S. 161, 453, 2478; 5 U. S. C. 22, 43 U. S. C. 2, 1201; Reorg. Plan No. 3 of 1946, 43 CFR 4.250)

C. GIRARD DAVIDSON,
Assistant Secretary of the Interior.

SEPTEMBER 4, 1947.

[F. R. Doc. 47-8336; Filed, Sept. 10, 1947; 8:46 a. m.]

Chapter I—Bureau of Land Management, Department of the Interior

[Circular 1654]

PART 284—TIMBER CUTTING, SALE OR USE SALE OF DEAD, DOWN, OR DAMAGED TIMBER

Section 284.1 is amended by deleting therefrom the second paragraph added on June 4, 1942 (7 F. R. 4496), concerning the act of September 20, 1922 (42 Stat. 857, 16 U. S. C. 594), and the center head for §§ 284.1 to 284.22, inclusive, is amended to read: "Sale of Dead, Down or Damaged Timber."

(R. S. 453, 2478, sec. 1, 37 Stat. 1015, sec. 1, 44 Stat. 890; 43 U. S. C. 2, 1201, 16 U. S. C. 614)

FRED W. JOHNSON,
Director.

Approved: September 4, 1947.

C. GIRARD DAVIDSON,
Assistant Secretary of the Interior.

[F. R. Doc. 47-8337; Filed, Sept. 10, 1947; 8:46 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

PART 14—ELECTRIC RAILWAYS: UNIFORM SYSTEM OF ACCOUNTS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 30th day of July A. D. 1947.

The matter of accounting regulations for electric railways being under consideration pursuant to the provisions of section 20 (3) of the Interstate Commerce Act, as amended; and

It appearing, that by order dated March 29, 1946, said accounting regulations with all modifications and amendments which were effective on or before January 1, 1947, were issued in revised form to be known as the "Uniform System of Accounts for Electric Railways, Issue of 1947," which revised system of accounts was filed with the Director of the Division of the Federal Register, but was not codified and published in the *FEDERAL REGISTER*; and

It further appearing, that the accounting regulations so prescribed for electric railways are substantive rules, which are required by section 3 (a) (3) of the Administrative Procedure Act to be currently published in the *FEDERAL REGISTER*, but no general notice of proposed rulemaking as contemplated by section 4 of that act is required because said regulations were prescribed prior to the effective date of such requirement:

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found as § 14.401 under general balance sheet. Sections devoted to instructions, as distinguished from the texts of the prescribed accounts, are numbered serially § 14.01 to § 14.06, inclusive, with the prescribed instruction number following a dash.

§ 14.00 Order of the Commission. It is ordered, that the "Uniform System of Accounts for Electric Railways, Issue of 1947," together with a copy of this order, shall be filed with the Director of the Division of the Federal Register for publication in the FEDERAL REGISTER, and that a copy of this order be deposited in the office of the Secretary of the Commission at Washington, D. C.

§ 14.00-1 Classification of carriers. For the purpose of this system of accounts, electric railways are divided into three classes as follows:

Class I. Companies having average annual operating revenues exceeding \$1,000,000.

Class II. Companies having average annual operating revenues exceeding \$250,000 but not in excess of \$1,000,000.

Class III. Companies having average annual operating revenues not exceeding \$250,000.

Class I companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

Class II and III companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating expenses may be kept under the accounts of the respective condensed groupings provided for herein.

Note: Electric railways subject to the regulations in this part shall adopt the class of operating accounts indicated by the average of their annual operating revenues for the three calendar years immediately preceding the effective date of this order; if subsequently, at the close of any calendar year, the average of such annual revenues for the three latest calendar years is more or less than the amount applicable to the class in which the company has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

§ 14.00-2 Definitions. When used in this system of accounts:

"Accounts," means the accounts prescribed in this system of accounts.

"Actually issued," as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or property) so that the purchasers secured them free from control by the issuing carrier; also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

"Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier.

"Additions," means structures, facilities, or equipment added to those in service and not taking the place of anything previously existing.

"Amortization," means the gradual extinguishment of an amount in an account

by prorating such amount over either a fixed period, dependent on the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

"Affiliated companies," means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier. "Control," (including the terms "controlling," "controlled by," and "under common control,") as used herein, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, firm, or corporation, whether through the ownership of voting securities, by contract, or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all the material facts pertinent to the possible existence of control.

"Betterments," means physical changes in roadway, structures, facilities, and equipment for the purpose of replacing property retired with property of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the property more suitable or of greater capacity than that retired.

Note: The road and equipment accounts shall be charged only with the excess cost of the improved property over the book cost (estimated if not of record) of the property removed. The remainder of the cost shall be charged to the appropriate maintenance account in operating expenses.

"Book cost," means the amount at which assets are recorded on the books of the carrier without deduction of related reserves.

"Carrier," when not otherwise indicated in the context, means the accounting carrier.

"Commission," means the Interstate Commerce Commission.

"Contingent assets," means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liabilities," means items which may, under certain conditions, become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

"Cost," means the amount of money actually paid for property or services, or the cash value at the time of the transaction of any consideration other than money.

"Cost of removal," means the cost of demolishing or otherwise disposing of property and recovering the salvage.

"Current assets," means cash as well as those assets that are readily convertible into cash or held for current use in operations, and all amounts accruing to the carrier where collection is reasonably assured and which are subject to settlement within one year from date of balance sheet.

"Current liabilities," means those obligations the amount of which is determined or closely estimated and are matured or become due within one year from date of issuance or assumption or upon demand, except those classified as long-term obligations.

"Debt expense," means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items," means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenues, and operating expense accounts of prior years.

"Depreciation," means the loss in service value not restored by current maintenance, and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

"Discount," as applied to securities issued or assumed by the carrier, means the excess of the par value of the securities, plus interest or dividends accrued to date of sale over the cash value of the consideration received from the sale.

"Group plan," as applied to depreciation accounting, means the plan under which depreciation charges continue to be accrued on the basis of book cost of all property recorded in each depreciable account, using the estimated average service lives thereof properly weighted, and upon the retirement of any depreciable property its total service value in excess of any insurance recoverable is charged to the depreciation reserve, regardless of the amount accrued with respect to each unit retired.

"Investment advances," means advances, represented by notes or book accounts, which it is mutually agreed or intended shall be settled by the issuance of capital stock or funded debt, or which are indefinitely deferred with no expectation of settlement.

"Minor items," means the associated parts of physical property which are not designated units of property.

"Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale or pledge or otherwise placed in some special fund of the carrier but which have not been sold.

"Nominally outstanding," as applied to securities issued or assumed by the carrier, means those which after being actually issued have been reacquired by or for the carrier under such circumstances as require them to be considered as held alive and not retired.

"Nonaffiliated companies," means all companies other than those defined as affiliated.

"Noncarrier property," means property neither used in nor held for transportation service.

RULES AND REGULATIONS

"Original cost," means the actual money cost (or the fair money value of any consideration other than money) of transportation property when first acquired and used in the public service.

"Premiums," as applied to outstanding securities issued or assumed by the carrier, means the excess of the current money value of the consideration received at their sale over the sum of their par value and interest or dividends accrued to the date of sale.

"Property retired," means physical property which has been permanently withdrawn from service.

"Replacement," means the installation of physical property in substitution of property of like purpose retired.

"Salvage value," means the amount received for property retired or disposed of or if retained, the amount at which the material recovered will be charged if reused. If the property is sold before it has reached the end of its useful life, the amount received from its sale, less any expenses incurred in connection therewith, shall be the value of the salvage.

"Service life," means the period between the date when operating property is placed in service and the date of its retirement.

"Service value," means the difference between the book cost and the salvage value of operating property.

"Straight-line method," as applied to depreciation accounting, means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of depreciable property as will distribute the estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over the service lives.

"Time of installation," means the date at which property is completed and placed in transportation service.

"Time of retirement," means the date at which property is permanently withdrawn from service.

OPERATING EXPENSES

§ 14.01 General instructions.

§ 14.01-1 Accounts for operating expenses. The accounts prescribed for operating expenses are designed to show the expenses of furnishing transportation services (including services incidental thereto), including the expenses of maintenance, depreciation, and operations of the property used in rendering the services. The accounting shall be, as nearly as practicable, upon the basis of accruals.

§ 14.01-2 Auxiliary operations. Electric railways operating facilities or rendering services other than those incident to transportation (the cost of the property used in such operations being included in the road and equipment accounts) shall treat such operations or services as auxiliary operations. Carriers shall keep separate revenue and expense accounts for each auxiliary operation conducted, and shall include the aggregate of the revenues and the aggregate of the expenses of auxiliary operations in the respective income accounts provided therefor.

If, for example, the carrier conducts a general power, light, heat, or other business not incident to transportation (the cost of the property used therein being included in the accounts for investment in road and equipment) the revenues and expenses of each such operation shall be reported in income accounts 202, "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses," respectively.

Revenues and expenses in connection with the maintenance and operation of properties provided for in general balance sheet account 404, "Miscellaneous physical property," shall be included in income account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

§ 14.01-3 Exclusion of auxiliary operations expenses. Expenses in connection with maintenance and operation of plant and equipment used in auxiliary operations such as the electric power light, heat, or other departments, or the proportion of expenses chargeable thereto, shall be excluded from the railway expenses by the use of accounts designated "Other operations—Cr." Similarly, if expenses of the railway department, other than those for maintenance and operation of power plant buildings and equipment, are kept in the accounts of the power, light, or other department, the railway department's proportion of such expenses shall be charged to the various accounts provided for "Other operations—Dr." If, however, a carrier furnishes power, light, or heat only incidentally, such incidental revenues and expenses shall be included in the railway operating revenues and expenses.

§ 14.01-4 General account for power. For the purpose of bringing together, under one general account, the cost of maintaining and operating power plant buildings and equipment, the general account "Power," has been provided. All expenses for maintaining and operating power plant buildings and equipment necessary to the production of power and all expenses incident to the purchase of power shall be included in the appropriate primary accounts under this general account, irrespective of the manner in which the power is used. Carriers rendering other utility services, such as furnishing power for lighting, heating, or other commercial purpose, shall equitably apportion the cost of power, as shown by this general account, between the railway and other utility departments. The charges to the other departments shall be cleared through account 62, "Other operations—Cr." This segregation of the maintenance and operation expenses incident to the production of power permits a more accurate comparison of the expenses for maintenance of ways and structures, maintenance of equipment, and transportation expenses, between carriers which produce their own power and carriers which use purchased power; and it also affords a better comparison of the statistics of carriers which furnish only a transportation service and those which furnish other utility service, such as power, light, and heat.

§ 14.01-5 Unaudited items affecting operating accounts. When for any cause the amount of any item affecting operating revenues or operating expenses cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form included in the appropriate operating revenue or operating expense account and credited or charged, as the case may be, to the appropriate balance sheet account. The necessary adjustment between the initial estimate and the actual amount of the item shall be included in the appropriate operating revenue or operating expense account when the item is audited. The amounts of such estimates shall be supported by records showing the details of the items which have thus been accrued and the clearance of the items when audited. The estimates shall be kept separately for each year. If between the date of inclusion and the date of audit a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

§ 14.01-6 Delayed items. Delayed items and adjustments, except adjustments pertaining to account 401-3, "Reserve for depreciation—Road and equipment," shall be included in the same accounts which would have been charged or credited if the items had been taken up or adjusted in the years to which they pertained. When the amount of a delayed item is relatively so large that its inclusion in the accounts of the current year would distort the revenues or expenses for the year, the carrier shall include the amount in the appropriate account in income.

§ 14.01-7 Subprimary accounts for steam railway operations, water line operations, and motor carrier operations. If a carrier operates a steam division, or has both electric and steam operations, and desires to keep the expenses of such operations separate, it may set up as sub-primary accounts the appropriate primary accounts of the uniform system of accounts for steam railroads. (See accounts 24-1, 35-1, and 75-1.) If the carrier operates a water line or ferries and desires to keep the expenses of such operations separate, it may set up as sub-primary accounts the appropriate primary accounts of the uniform system of accounts for carriers by water. (See accounts 24-2, 35-2, and 75-2.) If a carrier operates partly by motor vehicles and desires to keep the expenses of such operations separate, it may set up as sub-primary accounts the appropriate primary accounts of the uniform systems of accounts for motor carriers of property and motor carriers of passengers. (See accounts 24-3, 35-3, and 75-3.)

§ 14.01-8 Salvage and value of material removed. As used in this system of accounts, the terms "salvage" and "value of material removed" include the value to the carrier of material recovered or removed in the processes of repairing, renewing, replacing, or abandoning roadway, structures, and equipment. If the

material recovered or removed is again used or expected to be used by the carrier, the salvage value shall be based upon fair prices for the particular kinds and grades of material. If the material is sold, the net amount received from the sale represents the salvage.

§ 14.01-9 Insurance recovered. Amounts of insurance recovered on account of losses sustained shall be credited to the accounts to which the losses are charged. Insurance recovered in excess of the book cost of property retired shall be credited to account 306, "Miscellaneous credits."

§ 14.01-10 Property retired. The service value of property retired shall be accounted for in accordance with the provisions of § 14.06-4 *Property retired*.

In case the amount chargeable to operating expenses in connection with the retirement of nondepreciable property is relatively so large that its inclusion would seriously distort operating expenses for the year, the carrier, if authorized by the Commission, may charge the amount to account 419, "Retirements," and thereafter distribute the amount to operating expenses of the current and succeeding years. On the other hand, if authorized by the Commission the carrier may create a reserve in anticipation of the retirement of nondepreciable property by charges to operating expenses.

§ 14.01-11 Adjustment for converted property. When road and equipment property, with or without physical conversion, is transferred from one primary account to another, the accounting shall be in accordance with the provisions of § 14.06-6 *Adjustments for converted property*.

§ 14.01-12 Interpretation of item lists. Lists of items appearing in the texts of the accounts are given for the purpose of clearly indicating the application of the accounting rules. The lists are to be considered as merely representative and not as excluding items which have been omitted. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account indicates inclusion, as the same item frequently appears in more than one list.

§ 14.01-13 Cost of work. The cost of work chargeable to the maintenance accounts includes other carriers' freight charges, inspection, contract work, assessments for maintenance, and cost of privileges in connection with the work specified in the text of the several accounts.

§ 14.01-14 Depreciation. After the effective date of this order there shall be charged monthly to operating expenses or other appropriate accounts and credited to account 401-3, "Reserve for depreciation—Road and equipment," during the service life of depreciable property, amounts which will approximate the loss in service value not restored by current maintenance or covered by insurance. The charges for currently accruing depreciation shall be computed in conformity with the group plan by applying to the book cost of the property such

percentage rates as will distribute the service value of the property by the straight-line method in equal annual charges to operating expenses or other accounts during its estimated life.

The carrier shall compute and file with the Commission annual percentage rates estimated to be applicable to provide for the service value at the date of retirement of depreciable property that is owned or used by it as reflected in each depreciable road and equipment account. These percentage rates shall be based on the estimated service lives and service values of the property developed by a study of the carrier's history and experience and such engineering studies and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge for depreciation computed on the book cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in the account. If the cause of retirement is not a recognized factor in depreciation and the loss is not covered by insurance, the carrier may, upon proof that the charge will unduly deplete the depreciation reserve and with the approval of the Commission, charge the service value of the property to account 419, "Retirements," and distribute it over the period authorized.

The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage recovered from property retired. The carrier shall review the percentage rates from time to time and compute revised percentage rates in cases where existing rates are found inapplicable.

In computing monthly charges the annual percentage rates shall be applied to the book cost of property in each depreciable account as of the first of each month and the result divided by twelve.

For the purpose of the group plan of depreciation accounting for property, the following primary road and equipment accounts are classed as depreciable accounts:

- 501 Engineering. (Depreciable property in connection with which expenditures were incurred.)
- 504 Grading. (Depreciable property recorded in this account.)
- 511 Paving. (Depreciable property recorded in this account.)
- 512 Roadway machinery.
- 513 Tunnels and subways. (Depreciable property recorded in this account.)
- 514 Elevated structures and foundations.
- 515 Bridges, trestles, and culverts.
- 516 Crossings, fences, and signs.
- 517 Signals and interlockers.
- 518 Communication systems.
- 521 Distribution system.
- 522 General office buildings.
- 523 Shops, carhouses, and garages.
- 524 Stations, miscellaneous buildings, and structures.

525	Wharves and docks.
526	Park and resort property.
529-1	Steam railway road property.
529-2	Water line terminal property.
529-3	Motor carrier property.
530	Passenger cars.
531	Freight, express, and mail cars.
532	Service equipment.
533	Electric equipment of cars.
534	Locomotives.
535	Floating equipment.
536	Shop equipment.
537	Furniture.
538	Automotive and miscellaneous equipment.
538-1	Steam railway equipment.
538-2	Water line equipment.
538-3	Motor carrier equipment.
539	Power plants.
542	Power plant equipment.
544	Transmission system.

§ 14.01-15 Equalization of maintenance expenses. The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred.

If the carrier adopts a budget or estimate for all or part of the calendar year of expenses includable in one or more primary maintenance accounts or corresponding general accounts, an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 28, "Equalization—Way and structures," account 44, "Equalization—Equipment," or account 51, "Equalization—Power," with contra entries in account 442, "Reserve for equalization of maintenance."

If certain primary accounts only are budgeted, the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

Amounts included in account 442, "Reserve for equalization of maintenance," in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited.

§ 14.01-16 Deferred maintenance and major repairs to equipment. When so authorized by the Commission there may be included each month in account 28-1, "Deferred maintenance—Way and structures," account 44-1, "Deferred maintenance—Equipment," account 44-2, "Major repairs—Equipment," and 51-1, "Deferred maintenance—Power," an equitable proportion of the amount estimated as necessary to provide for the cost of repairs which the carrier finds it is unable to undertake or complete during any calendar year due to inability to obtain material and supplies because of priorities regulations or due to adverse labor conditions; also to provide for major repairs to equipment that are usually made at intervals of several years. The amounts included in these accounts shall be concurrently credited to account 442-1, "Maintenance reserves." The cost of such repairs when made shall be charged according to the repairs to the appropriate primary maintenance accounts, and to the extent that provision has been made for such repairs, amounts included in ac-

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count 142-1, shall be cleared therefrom through the primary accounts originally charged. The carrier in its application to the Commission shall give full particulars concerning the nature of the repair work specifically provided for in this section, and an estimate by primary accounts of the cost of such repairs.

OPERATING EXPENSE ACCOUNTS

§ 14.0 General accounts. The general operating expense accounts represent groupings of related primary accounts.

§ 14.0-1 Way and structures. The general account for way and structures expense embraces the following primary accounts:

§ 14.1 Superintendence. This account shall include salaries and office and other expenses of officers and their assistants when directly in charge of maintenance of way and structures, including chief engineer, engineer of maintenance of way, superintendent of electric line, superintendent of buildings, architect, division engineer, roadmasters, and office and field forces; cost of repairing drafting and engineering instruments; cost of supplies used by employees whose salaries are charged to this account; and office rent, cost of repairing rented offices, cost of repairing furniture, and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Books for office use.	Power.
Fees and dues of associations.	Repairs of rented offices.
Furniture repairs and renewals.	Telegraph service.
Heating.	Telephone service.
Lighting.	Travel expenses.
Official train service.	Water and ice.
Periodicals and newspapers.	

TECHNICAL SUPPLIES

Barometers.	Plane tables.
Books and maps.	Planimeters.
Boxes for instruments.	Plumbets.
Cameras.	Protractors.
Camp equipment.	Ranging poles.
Chains for surveyors.	Reading glasses.
Compasses.	Rods for surveyors.
Curves.	Section liners.
Drafting boards.	Sextants.
Drafting instruments.	Slide rules.
Field glasses.	Straightedges.
Field notebooks.	Tally registers.
Hatchets.	Tape lines.
Levels.	Tee-squares.
Magnets.	Telescopes.
Magnifiers.	Thermometers.
Marking chalk.	Thumb tacks.
Oil stoves.	Tracing linens.
Paper, blueprint.	Transits.
Parallel rules.	Traverse tables.
Photographic supplies.	Triangles.
	Tripods.
	Verniers.

NOTE A: When employees designated above are engaged in work not chargeable to Way and Structures, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the de-

partments over which they have jurisdiction.

NOTE C: It is not intended that any portion of the expenses of general offices shall be charged to this account. The office expenses of employees designated above who have offices in general office buildings shall be included in the appropriate primary accounts under § 14.0-6 *General*.

§ 14.2 Ballast. This account shall include expenses incident to the purchase and production of ballast used for maintenance; purchase price of gravel, stone, slag, cinders, sand, and other material used for ballast, including freight charges, if any; payments for gravel and quarry rights and privileges; cost of tracks and electric line in gravel pits; expenses of sinking test holes, stripping, blasting, and loading; and other expenses in connection with production of ballast.

NOTE A: In case of ballast produced, a clearing account may be opened in order to determine the unit of cost which is to be used in arriving at the monthly charge to Operating Expenses on account of ballast used.

NOTE B: The cost of labor delivering, unloading, and putting ballast into track shall be charged to account 8, "Track and roadway labor."

§ 14.3 Ties. This account shall include the cost of cross, switch, bridge, and other ties used in repairing all tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in track, and the cost of picking up and concentrating or disposing of the ties removed, shall be charged to account 8, "Track and roadway labor."

NOTE B: The excess of metal or concrete ties applied in place of wooden ties over the cost of replacing wooden ties shall be charged to road and equipment account 506, "Ties."

§ 14.4 Rails. This account shall include the cost of rails used in repairing main and repair tracks, sidings and spurs, and tracks in tunnels, station yards, shop and other yards; on piers, wharves, track scales, inclines, bridges, trestles, and culverts; in carhouses, shops, and storehouses; and on transfer tables and turntables. Rails in plain curves shall be charged to this account and not to account 6, "Special work."

To this account shall be credited the value of material removed.

NOTE A: The cost of labor for unloading, distributing, and laying rails in track, and the cost of picking up and concentrating the rails removed, shall be charged to account 8, "Track and roadway labor."

NOTE B: The excess cost of heavier or improved rails applied for renewals over the original cost of rails removed shall be charged to road and equipment account 507, "Rails, rail fastenings, and joints."

NOTE C: Guard rails used in connection with the renewal of special work shall be charged to account 6, "Special work."

§ 14.5 Rail fastenings and joints. This account shall include the cost of rail fastenings and joints, such as fishplates, braces, tie plates, tie-rods, nuts, bolts, spikes, and welded joints, used for repairs of all tracks.

To this account shall be credited the value of material removed.

NOTE A: The cost of labor unloading, distributing, and applying rail fastenings and joints and the cost of picking up and concentrating rail fastenings and joints removed

shall be charged to account 8, "Track and roadway labor."

NOTE B: The entire cost (exclusive of carrier's own labor) of welded joints installed under contract shall be charged to this account.

NOTE C: The excess cost of heavier or improved rail fastenings and joints used for renewals over the original cost of fastenings and joints removed shall be charged to road and equipment account 507, "Rails, rail fastenings, and joints."

§ 14.6 Special work. This account shall include the cost of material used in repairing special work, including steam and street railroad crossings, cross-overs, curves, frogs, run-offs, switches, contacts and wiring for automatic switches, switch stands and locks, switch mates, and turnouts.

To this account shall be credited the value of material removed.

NOTE: The cost of labor in connection with this work shall be charged to account 8, "Track and roadway labor."

§ 14.7 Underground construction. This account is to be used only by railways operated by underground electric contact system or by cable. It shall include the cost of material used in repairing yokes, concrete work, manhole frames and covers, slot rails, drain pipes, pulleys and sheaves, and other fixtures and appurtenances peculiar to underground electric or cable construction.

To this account shall be credited the value of material removed.

NOTE A: The cost of labor in connection with this work shall be charged to account 8, "Track and roadway labor."

NOTE B: The cost of repairing and renewing track rails, track-rail fastenings and joints, electric contact rails and insulators, and cables of cable railways shall not be charged to this account.

§ 14.8 Track and roadway labor. This account shall include the cost of labor used in unloading, distributing, and placing ballast; relaying ties; repairing and relaying rails, rail fastenings and joints, special work, and underground construction; also labor used in grading, aligning, surfacing, and gauging tracks; repairing sewer and drain tiles and drainage catch-basins; cleaning and repairing tile and open ditches; protecting banks by retaining walls, riprap, piling, piers, dikes, or other means; patrolling, inspecting, and watching track; clearing track of weeds; removing sand, debris, and flood water from tracks; trimming trees along tracks; and other miscellaneous track and roadway labor, including wages of blacksmiths and helpers in track shops.

§ 14.9 Small tool and roadway expenses. This account shall include the cost of roadway tools when chargeable to operating expenses; material used in repairing tools, velocipedes, hand and push cars, implements, flags, lanterns, etc., used when repairing track and roadway; materials used in weeding tracks and right-of-way; materials used in removing flood water from tracks; coal and supplies for track shops; material used in repair of right-of-way ditches; material for repairing catch basins for drainage purposes; and material used in repairing retaining walls, riprap, piling, piers, dikes, or other means for protecting

banks; also any other material, supplies, and incidental expenses that are not properly chargeable to any of the other accounts covering maintenance of track and roadway.

To this account shall be credited the value of material removed.

LIST OF ROADWAY AND TRACK TOOLS

Adzes.	Lawn mowers.
Anvils.	Levels.
Augers.	Lines.
Axes.	Nippers.
Ballast forks.	Oil stones.
Bars, claw.	Padlocks.
Bars, crow.	Pails.
Bars, lining.	Paint brushes.
Bars, pinch.	Picks.
Bars, raising.	Pike poles.
Bars, tamping.	Post-hole diggers.
Braces and bits.	Post-hole tamers.
Brooms.	Punches.
Brush hooks.	Rail binders.
Cable stretchers.	Rail tongs.
Cans.	Rakes.
Cant hooks.	Rope.
Chains.	Saws, crosscut.
Chisels.	Saws, hand.
Curbing hooks.	Scrap boxes.
Dippers.	Scythes.
Drawing knives.	Shovels.
Drill bits.	Sickles.
Drills (portable).	Sledges.
Flags.	Spades.
Furnaces.	Spike mauls.
Grindstones.	Spike pullers.
Guard rail lubricators.	Spot boards.
Hammer, napping.	Squares.
Hammer, paving.	Tape lines.
Hammer, spiking.	Thermometers.
Handles for tools.	Tongs.
Hatches.	Tool boxes.
Hoes.	Torches.
Jack levers.	Track gauges.
Jacks.	Track levels.
Kegs, water.	Wheelbarrows.
Ladders.	Wrenches.
Lanterns and fixtures.	

§ 14.10 Paving. This account shall include the cost of labor and material used in repairing granite, wood, brick, macadam, asphaltum, and other paving; also cost of hauling and distributing material and of removing old material.

Repairs of street paving required by municipalities in connection with roadway and track, and assessments for maintenance of paving; also payments for permission to open pavement, and cost of tearing up and replacing paving in connection with repairs shall be charged to this account.

To this account shall be credited the value of material removed.

§ 14.11 Cleaning and sanding track. This account shall include the cost of labor and material used in watering, sprinkling, and oiling roadway; in cleaning, greasing, and sanding tracks; and in cleaning conduits of underground electric or cable systems; also cost of sand and of hauling, drying, and distributing same; cost of track brooms and other cleaning and sanding tools and apparatus; and cost of other supplies and expenses incident to the work.

NOTE A: Repairs of sprinkler and sand cars used in connection with this work shall be charged to account 32, "Service equipment." Repairs of harness and wagons used in connection with this work shall be charged to account 38, "Maintenance of automotive and miscellaneous equipment."

NOTE B: Cost of sprinkling rendered necessary by repairs or construction of track or

paving shall be charged to the proper maintenance or construction account.

§ 14.12 Removal of snow and ice. This account shall include the cost of labor and material used in removal of snow and ice from tracks, whether done by the company or otherwise, including cost of tools, cost of salt and delivering same in carhouses or bins, wages of men engaged in salting track and in operating snow plows, sweepers, scrapers, etc., and other supplies and expenses incident to this work.

This account shall also include the wages of trainmen operating cars solely for the purpose of keeping line open, the cost of removing water caused by melting snow, cost of placing and removing portable snow fences, and rent of ground on which to place snow fences.

NOTE: Repairs of salt cars, snow plows, sweepers, scrapers, and miscellaneous snow equipment used in connection with this work shall be charged to account 32, "Service equipment." Repairs of harness and wagons used in connection with this work shall be charged to account 38, "Maintenance of automotive and miscellaneous equipment."

§ 14.13 Tunnels and subways. This account shall include the cost of labor and material used in repairing tunnels and subways; cost of cleaning, painting, and whitewashing; and cost of maintenance of lighting, ventilating, and drainage systems.

To this account shall be credited the value of material removed.

NOTE: This account shall not include repairs of roadway, tracks, or electric feeder and contact lines through tunnels.

§ 14.14 Elevated structures and foundations. This account is intended to be used only by companies operating an elevated railway system, and shall include the cost of labor and material used in repairing elevated structures and their foundations.

To this account shall be credited the value of material removed.

§ 14.15 Bridges, trestles, and culverts. This account shall include the cost of labor and material used in repairing bridges, trestles, and culverts (both substructure and superstructure), their piers, abutments, masonry, and drain pipes, and the retaining walls, riprapping, and dikes necessary to protect or strengthen them against ice, water, or drift; cost of altering and bracing bridges and trestles during progress of filling; cost of removing old bridges in connection with construction of new bridges; and cost of constructing and removing temporary or false work used in repairing bridges and culverts; also cost of guards on bridges, framing ties for bridges; bridge signs or number boards; cleaning of channel under bridges and cleaning of culverts; pay of bridge foremen, and cost of supplies used by them; pay of bridge inspectors and expenses incident to bridge inspection.

The cost of replacing bridges, trestles, and culverts destroyed by fire or washouts shall be charged to this account; also repairs made necessary by washouts.

To this account shall be credited the value of material removed.

Any structure carrying the carrier's tracks over other tracks, or over a

stream, highway, or canal should be considered a bridge or a culvert.

DETAILS OF BRIDGE STRUCTURES

Abutments.	Ice breakers.
Bridge signs.	Painting.
Cofferdams.	Pier protection.
Concrete ends for cut-	Piers.
verts.	Pipe culverts.
Crib.	Retaining walls.
Decking.	Riprap.
Dike protection.	Supports.
Drainage systems.	Water channels.
Draw protection.	Waterproofing.
Drawbridge machinery.	Wing dams.
False work.	Wing walls.
Guard timbers.	

NOTE: The cost of maintaining structures carrying other tracks, canals, highways, etc., over the accounting carrier's tracks shall be charged to account 16, "Crossings, fences, and signs."

§ 14.16 Crossings, fences, and signs. This account shall include the cost of labor and material used in repairing street, road, and farm crossings at grade; overhead bridges and viaducts; roadways of undergrade foot, wagon, or cattle crossings; drainage and excavations for undergrade crossings; crossing gates and warning signals; and payments and assessments for street repairs or repairs of sewers at crossings.

This account shall also include cost of material used and labor expended in repairing right-of-way fences, snow and sand fences, cattle guards, wing fences, aprons, and hedges; and mile, section, warning, and other roadway signs.

To this account shall be credited the value of material removed.

NOTE: Street repairs or repairs of sewers within the limits of shop grounds or immediately adjacent to station buildings shall be charged to account 24, "Buildings, fixtures, and grounds."

§ 14.17 Signals and interlockers. This account shall include the cost of labor and material used in repairing buildings and apparatus of interlocking systems, semaphore, block, and other signal systems, including air compressors, levers, boilers, dynamos, engines, and other appliances used in connection therewith; also the cost of labor and material used in repairing targets and lamps, and switch lights at sidings.

To this account shall be credited the value of material removed.

NOTE A: This account shall not include the cost of track material proper required in connection with interlockers, such as switches, special track fastenings, split rails, and frogs, the cost of which shall be charged to proper maintenance of way accounts.

NOTE B: Rent of appliances for signal and interlocking systems shall be charged to account 72, "Operation of signal and interlocking apparatus."

NOTE C: No charge shall be made to this account for setting and repairing poles and fixtures used primarily for telegraph, telephone, or transmission systems when such poles and fixtures incidentally support signal wires.

§ 14.18 Communication systems. This account shall include the cost of labor and material used in repairing telephone and telegraph systems owned by the company, or for which it is responsible, including conduits, poles, cross arms, insulators, wires, cables, cable boxes, booths, instruments, battery jars, switch-

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boards, and other appurtenances of such telephone and telegraph systems.

To this account shall be credited the value of material removed:

LIST OF TERMINAL EQUIPMENT

Batteries.
Cables and wires, interior.
Connecting wires.
Current-controlling instruments.
Electric generators and motors.
Electric meters.
Engines, stationary.
Fuses and mechanical protectors.
Laboratory equipment.
Rectifiers.
Rheostats.
Sending and receiving instruments.
Switchboards.
Testing outfits.
Transformers.

LIST OF OUTSIDE PLANT

Antennas and supporting structures.
Aerial attachments.
Braces.
Brackets.
Cable boxes and fixtures.
Cables and wire aerial.
Conduits and fixtures.
Cross arms.
Guy stubs.
Guy wires.
Insulators.
Mobile auxiliaries.
Poles.
Submarine cables and connections.
Telephone pole boxes.
Towers.
Underground cables and connections.

NOTE A: Rent of communication systems shall be charged to the accounts applicable according to the use made of the system rented.

NOTE B: No charge shall be made to this account for setting and repairing poles and fixtures used primarily for signals and interlockers or transmission systems when such poles incidentally support telegraph or telephone wires.

§ 14.19 Miscellaneous way expenses. This account shall include all expenses in connection with maintenance of way not properly chargeable to other accounts.

§ 14.22 Distribution system. This account shall include the cost of labor and material used in repairing the distribution system, as follows:

(a) Overhead feeders for transmitting low-tension power from power stations and substations, including insulators and connections.

(b) Underground feeders for transmitting low-tension power from power stations and substations, including insulators and connections.

(c) Track bonding, including track bonds, cost of punching and drilling rails for track bonds, and testing for defective bonding.

(d) Overhead trolley, including cost of trolley, guard, span, strain, supplementary, and other wires, and all catenary construction used in connection with the overhead trolley system.

(e) Trackless trolley overhead systems.

(f) Third rail, including cost of third rail, braces and supports for same, insulating devices, material used for covering and protecting same, and all fixtures and appliances connected with third-rail construction.

(g) Underground contact rails, including cost of contact rails and appliances in underground contact systems, and appurtenant braces, supports, and insulating devices.

(h) Poles and fixtures for supporting overhead electric construction.

(i) Conduits for underground wire and cables, including manholes, sewer connections, etc.

To this account shall be credited the value of material removed.

When a company does an incidental power, light, or heat business, the cost of repairing transformers, meters, and wiring used in connection with the delivery of power sold shall be included in this account.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. The lines between generating stations and substations shall follow the same rule as other lines.

§ 14.23 Miscellaneous electric line expenses. This account shall include all expenses in connection with maintenance of electric line not properly chargeable to other accounts.

NOTE: This account shall not include miscellaneous expenses in connection with the transmission system. Such expenses shall be charged to account 49, "Transmission system."

§ 14.24 Buildings, fixtures, and grounds. This account shall include the cost of labor and material used in repairing car houses, shops, general offices, stations, waiting rooms, platforms, docks, wharves, and all other buildings and structures (except power plant and substation buildings and towers or buildings used exclusively for signal and interlocking apparatus) used in the operation of the road.

This account shall also include the cost of repairing fixtures; maintaining walks, driveways (including those at unloading tracks), and grounds; cost of flowers and shrubs, and labor planting and caring for same; and the cost of mowing lawns about buildings and structures above named.

The term buildings, fixtures, and grounds, in addition to embracing the buildings proper, includes permanent fixtures; permanent foundations for machinery and apparatus; pipes for gas, water, sewerage, and drainage; apparatus for heating, lighting, and ventilating; freight and passenger elevators, with fixtures and appurtenances; platforms; hose and appliances for protecting buildings against fire; fences, walls, sidewalks, and pavements (except paving in tracks) within the limit of grounds or immediately adjacent to buildings or yards.

To this account shall be credited the value of material removed.

SHOPS AND CARHOUSES

Ash plants.	Pipe lines.
Bins.	Planing mills.
Blacksmith shops.	Platforms.
Car sheds.	Repair shops.
Carpenter shops.	Sand houses.
Cinder pits.	Sidewalks.
Drop pits.	Storehouses.
Foundries.	Tanks.
Gas houses.	Test rooms.
Houses, oil.	Tin shops.
Laboratories.	Tool houses.
Lighting plants.	Transfer tables.
Lumber sheds.	Turntables.
Machine shops.	Upholstery shops.
Motor cranes.	Wash rooms.
Paint shops.	Watch houses.

STATION AND OFFICE BUILDINGS

Buildings.	Lighting plants.
Call bells.	Machinery.
Coal bins.	Passageways.
Coal trestles.	Pavement in grounds.
Commissary buildings.	Platforms.
Drainage and sewer systems.	Power systems.
Dwellings.	Reading rooms.
Electric wiring.	Scale houses.
Elevators.	Sidewalks.
Escalators.	Stables.
Fences.	Station bridges.
Fire houses.	Station signs.
Freight cranes and derricks.	Stairways.
Freight houses.	Station buildings.
Garages.	Stock pens.
Gas supply systems.	Stockhouses.
General office buildings.	Track scales.
Greenhouses.	Transfer houses.
Heating plants.	Turnstiles.
Hose houses.	Waiting rooms.
Ice houses.	Warehouses.
	Water supply systems.

WHARVES AND DOCKS

Bridge pontoons.	Ferry racks.
Bulkheads.	Ferry slips.
Caissons.	Jetties and inclines.
Crib work.	Transfer-bridge machinery.
Dry docks.	Ferry bridge machinery.
	Transfer bridges.

OTHER STRUCTURES

Boarding houses.	Pen stocks.
Boilers.	Purifying plants.
Buckets.	Rail shops.
Cisterns.	Reservoirs.
Dams.	Scales, built in.
Frog shops.	Sheds.
Fuel plants, pumps, tanks.	Tanks.
Hand-car houses.	Tubs.
Inclines.	Wells.
	Windmills.

NOTE A: Expenses incident to the maintenance of power plant and substation buildings and grounds shall be charged to account 46, "Power plant buildings, fixtures, and grounds." Expenses incident to the maintenance of towers or buildings used exclusively for signal or interlocking apparatus shall be charged to account 17, "Signals and interlockers."

NOTE B: The cost of repairs of track and electric line in buildings, yards, and grounds shall be charged to the foregoing accounts (1 to 23, inclusive) appropriate for such repairs.

NOTE C: This account is intended to include the cost of repairs of owned buildings or buildings held under long-term leases. The cost of repairs of buildings rented from month to month shall be charged to the account to which the rent is charged.

§ 14.24-1 Maintenance steam railway road property. This account may include the expenses of maintaining road property devoted to steam railway opera-

tions. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such expenses by the Commission in its system of accounts for steam roads.

§ 14.24-2 Maintenance water line terminal property. This account may include the expenses of maintaining terminal property devoted to water line operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such expenses by the Commission in its system of accounts for carriers by water.

§ 14.24-3 Maintenance motor carrier property. This account may include the expenses of maintaining all property except equipment devoted to motor carrier operations. If the carrier elects to make the segregation its records shall be kept in such manner as to reflect, by subprimary accounts, the primary accounts prescribed for such expenses by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers.

§ 14.25 Depreciation of way and structures. This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable property included under road and equipment General Account 500-1.

§ 14.26 Other operations—Dr. This account shall include debits representing the proportion of operating expenses chargeable to maintenance of way and structures of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as electric power, light, or heat, within the same company.

§ 14.27 Other operations—Cr. This account shall include credits representing the proportion of operating expenses included under § 14.0-1 Way and structures chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

§ 14.28 Equalization; way and structures. This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "way and structures" as provided in § 14.01-15. *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

§ 14.28-1 Deferred maintenance; way and structures. This account shall include the estimated cost of repairs to way and structures which cannot be made during the current year due to priorities for materials and supplies, or shortage of labor.

This account shall be credited with amounts cleared from account 442-1,

"Maintenance reserves," in accordance with the text of that account. (See § 14.01-16 *Deferred maintenance and major repairs to equipment.*)

§ 14.28-2 Retirements; way and structures. This account shall include the service value of nondepreciable way and structures retired and not replaced, the ledger value of which is credited to account 401, "Road and equipment." This account shall also include the proportion of the service value of way and structures retired which the Commission has authorized charged to account 419, "Retirements," for distribution over a period of years. It shall also include the service value of nondepreciable property which the carrier has been authorized by the Commission to charge to operating expenses in anticipation of its ultimate retirement from service.

§ 14.28-3 Dismantling retired way and structures. This account shall include the cost of dismantling way and structures retired from service and recovering the salvage therefrom, with the exception of the cost of removing track material in connection with the repairs of tracks, which is chargeable to account 8, "Track and roadway labor," and account 9, "Small tools and roadway expenses."

§ 14.0-2 Equipment. The general account for equipment expense embraces the following primary accounts:

§ 14.29 Superintendence. This account shall include the salaries and office and other expenses of officers and their assistants when directly in charge of equipment other than power plant and substation equipment, including superintendent of rolling stock, master car builder, master mechanic, and their office forces; cost of supplies used by employees whose salaries are charged to this account: office rent, cost of repairing rented offices, cost of repairing furniture, and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Lighting.
Barometers.	Official train service.
Books for office use.	Periodicals and newspapers.
Drafting instruments.	Power.
Drafting supplies.	Rent of offices.
Engineering Supplies.	Repairs of rented offices.
Fees and dues in associations.	Telegraph service.
Furniture repairs and renewals.	Telephone service.
Heating.	Traveling expenses.
	Water and ice.

Note A: When employees designated above are engaged in work not chargeable to Equipment, their salaries and expenses shall be charged to the specific work on which engaged.

Note B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

Note C: It is not intended that any portion of the expenses of general offices shall be charged to this account. The office expenses of employees designated above who have offices in general office buildings shall be in-

cluded in the appropriate primary accounts under § 14.0-6 *General.*

§ 14.30 Passenger and combination cars. This account shall include the cost of labor and material used in repairing passenger and combination cars, including parlor, chair, sleeping, and dining cars.

To this account shall be charged the cost of repairing the following fixtures and appliances: Fare registers and fare boxes, electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars; also the cost of shifting trucks from one car to another.

The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car. The term combination car includes all cars that are used in part for carrying passengers.

To this account shall be credited the value of material removed.

LIST OF CARS

Buffet.	Parlor.
Café.	Passenger and combination.
Center entrance.	Rapid transit or elevated.
President's conference.	Smoking.
Chair.	Surface, semiconvertible.
Club.	Trackless motor.
Combination.	Trailer.
Dining.	
Observation.	

LIST OF APPURTENANCES

Air-brake equipment.	Ice tanks.
Air compressors.	Kitchen equipment.
Air conditioning equipment.	Lighting equipment.
Bedding.	Parcel racks.
Car trucks.	Ranges and boilers.
Chairs.	Seats.
Coat hooks.	Speed recorders.
Curtains and fixtures.	Steam heat hose.
Cushions.	Table china.
Electric bells.	Table glassware.
Fare boxes and registers.	Table linen.
Fire extinguishers.	Table silver.
Floor covering.	Toilet equipment.
Heating equipment.	Train-signal equipment.
Ice boxes.	Water tanks.
	Windshield wipers.
	Wheels and axles.

NOTE: Portable signs, incandescent lamps, and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

§ 14.31 Freight, express, and mail cars. This account shall include the cost of labor and material used in repairing freight, express, and mail cars from the operation of which revenue is derived.

To this account shall be charged the cost of repairing the following fixtures and appliances: Electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars; also the cost of shifting trucks from one car to another.

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The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car.

To this account shall be credited the value of material removed.

LIST OF CARS

Baggage.	Mail.
Ballast.	Milk.
Beer.	Ore.
Box.	Platform.
Cabin.	Postal.
Caboose.	Poultry.
Coal.	Produce.
Dump.	Rack.
Express.	Refrigerator.
Flat.	Stock.
Gondola.	Tank.
Hopper.	Water.
Logging.	

LIST OF APPURTENANCES

Air - brake equipment.	Speed recorders.
Cushions.	Steam heat hose.
Heating equipment.	Toilet equipment.
Lighting fixtures.	Train-signal equipment.
Mail catchers.	Water tanks.

NOTE: Portable signs, incandescent lamps, and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

§ 14.32 *Service equipment.* This account shall include the cost of labor and material used in repairing service cars, including sprinkler cars, sand cars, salt cars, supply cars, maintenance of way and line cars, snow plows, sweepers, scrapers, and other service equipment.

To this account shall be charged the cost of repairing fixtures and appliances on service cars, such as cranes, pile drivers, welding and bonding apparatus, electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars, etc. Such expenses shall be charged to accounts 30, 31, 32, or 34, as may be appropriate.

NOTE C: Electric motive equipment includes trolley poles, wheels, sliding bows, third-rail shoes, etc.

To this account shall be credited the value of material removed.

LIST OF SERVICE CARS

Ballast cars.	Painters' cars.
Boarding cars.	Pay cars.
Bridge cars.	Pile driver cars.
Business rail cars.	Rail cars.
Camp cars.	Sanding cars.
Cinder cars.	Scale test cars.
Compressor cars.	Scrapers cars.
Derrick cars.	Snow dozers and drags.
Dirt spreaders.	Snow plows.
Ditching cars.	Steam shovels.
Dump cars.	Supply cars.
Grading cars.	Tank cars.
Gravel cars.	Tool cars.
Indicator cars.	Tower cars.
Instruction cars.	Unloaders.
Locomotives.	Water cars.
Miscellaneous flat cars.	Weed burners.
Office cars.	Wrecking ears.
Outfit cars.	

LIST OF APPURTENANCES

Air-brake equipment.	Heating equipment.
Bedding.	Jacks.
Blocks and tackle.	Kitchen equipment.
Boilers.	Lighting equipment.
Bunks, seats and chairs.	Machinery.
Chains.	Ranges.
China, crockery and glassware.	Tool boxes.
Engines.	Tools.
	Signal equipment.
	Wrecking equipment.

NOTE: Portable signs, incandescent lamps, and other supplies for service cars shall be charged to account 67, "Miscellaneous car-service expenses."

§ 14.33 *Electric equipment of cars.* This account shall include the cost of labor and material used in repairing the electric motive equipment and electric motive wiring of all passenger, combination, freight, express, mail, and service cars.

The cost of shifting the electric equipment from one car to another shall be charged to this account.

To this account shall be credited the value of material removed.

NOTE A: Incandescent lamps and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

NOTE B: This account shall not include the cost of repairing the following fixtures and appliances on passenger, combination, freight, express, mail, or service cars, or locomotives: Electric bells and wiring, electric heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars, etc. Such expenses shall be charged to accounts 30, 31, 32, or 34, as may be appropriate.

NOTE C: Electric motive equipment includes trolley poles, wheels, sliding bows, third-rail shoes, etc.

§ 14.34 *Locomotives.* This account shall include the cost of labor and material used in repairing locomotives.

To this account shall be charged the cost of repairing electric motive equipment of locomotives and the following fixtures and appliances: Electric bells and wiring; electric heaters and wiring; electric lighting and wiring; air-brake equipment and wiring; motors for air governors and pumps; trolley parts, retrievers, and catchers; snow plows attached to locomotives; couplers; headlight parts; adjustable signs attached to locomotives; also the cost of shifting trucks or electric motive equipment from one locomotive to another.

The term locomotive includes body and trucks and all fixtures and appliances inside of or attached to the body or trucks, including the electric motive equipment of locomotives.

Carriers operating steam locomotives shall include the cost of repairing same in this account, except as provided in § 14.01-7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*

To this account shall be credited the value of material removed.

NOTE: Portable signs, incandescent lamps, and other supplies for locomotives shall be charged to account 67, "Miscellaneous car-service expenses."

§ 14.35 *Floating equipment.* This account shall include the cost of labor and material used in repairing ferryboats, transfer boats, tugboats, barges, lighters,

car floats, and other floating equipment, including repairs of machinery, furniture, fixtures, and other appurtenances thereto. (See § 14.01-7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*)

NOTE: The cost of operating floating equipment shall be charged to account 74, "Operation of floating equipment."

§ 14.35-1 *Maintenance steam railway equipment.* This account may include the expenses of maintaining equipment devoted to steam railway operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed by the Commission in its system of accounts for steam roads, if it elects to make the segregation.

§ 14.35-2 *Maintenance water line equipment.* This account may include the expenses of maintaining equipment devoted to water line operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

§ 14.35-3 *Maintenance motor carrier equipment.* This account may include the expenses of maintaining equipment devoted to motor carrier operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed for such expenses by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers, if it elects to make the segregation.

§ 14.36 *Shop equipment.* This account shall include the cost of labor and material used in repairing machinery and tools (except hand tools) in shops and carhouses, such as engines and boilers, shafting and belting, cranes, hoists, jacks, and other equipment used in connection therewith; furnaces, forges, planers, lathes, shapers, drill presses, wheel grinders, and wheel presses; machinery for compressing and storing compressed air, and fixtures for using same; and tools used in connection with power-driven machinery.

To this account shall be credited the value of material removed.

LIST OF SHOP EQUIPMENT

Air compressors.	Motors.
Ash conveyors.	Pipe cutting machines.
Belting.	Planers.
Blowers.	Pneumatic hammers.
Boilers.	Boring machines.
Cars, push.	Power machinery.
Cranes.	Punches.
Drill presses.	Riveters.
Drop tables.	Saws.
Forges.	Shafting.
Framing machines.	Shapers.
Furnaces.	Slotters.
Grinding machines.	Stationary engines.
Hoists.	Steam hammers.
Hydraulic jacks.	Transfer tables.
Lathes.	Vices.
Lifting magnets.	Welding machines.
Metal chimneys.	Woodworking machines.
Milling machines.	

NOTE: The cost of repairing hand tools shall be charged to account 37, "Shop expenses."

§ 14.37 Shop expenses. This account shall include expenses for heating and lighting shops; miscellaneous expenses of such shops, including fuel, water, and ice; cost of oil, grease, waste, and other material used in lubricating shop machinery and tools; cost of supplies and small tools used by mechanics, and wages of employees making and repairing same; wages of stationary engineers and firemen; and pay of watchmen, sweepers, cleaners, and other unskilled laborers employed in general work in and about shops and shop yards.

NOTE: The cost of labor and material used in a track shop shall be charged to account 8, "Track and roadway labor," and 9, "Small tools and roadway expenses," as may be appropriate.

§ 14.38 Maintenance of automotive and miscellaneous equipment. This account shall include the cost of repairing emergency, repair, and other service vehicles, automobiles, motorcycles, trucks, tractors, and other motor equipment, except as otherwise provided in account 35-3.

§ 14.39 Miscellaneous equipment expenses. This account shall include all expenses in connection with maintenance of equipment which are not properly chargeable to other equipment accounts.

§ 14.40 Depreciation of equipment. This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable equipment included under road and equipment General Account 500-2.

§ 14.42 Other operations—Dr. This account shall include debits representing the proportion of operating expenses chargeable to maintenance of equipment of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as an electric power, light, or heat department within the same company.

§ 14.43 Other operations—Cr. This account shall include credits representing the proportion of operating expenses included under § 14.0-2 Equipment chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department, within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

§ 14.44 Equalization; equipment. This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "equipment" as provided in § 14.01-15 Equalization of maintenance expenses. The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

§ 14.44-1 Deferred maintenance; equipment. This account shall include the estimated cost of repairs to equipment which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 442-1.

"Maintenance reserves," in accordance with the text of that account. (See § 14.01-16 Deferred maintenance and major repairs to equipment.)

NOTE: Estimated costs of heavy or extraordinary repairs to equipment that are usually made at intervals of several years shall be charged to account 44-2, "Major repairs—Equipment."

§ 14.44-2 Major repairs; equipment. This account shall be charged with the estimated cost of anticipated major repairs to equipment that are usually made at intervals of several years.

This account shall be credited with amounts cleared from account 442-1, "Maintenance reserves," in accordance with the text of that account. (See § 14.01-16 Deferred maintenance and major repairs to equipment.)

§ 14.44-3 Dismantling retired equipment. This account shall include the cost of tearing down equipment retired from service and recovering the salvage therefrom.

§ 14.0-3 Power. The general account for expense of producing and distributing power embraces the following primary accounts:

§ 14.45 Superintendence. This account shall include the salaries and the office and other expenses of officers and their assistants, when directly in charge of, or engaged in, the maintenance and operation of power plants and substations; cost of supplies used by employees whose salaries are chargeable to this account; office rent and cost of repairing rented offices; cost of repairing furniture and miscellaneous office expenses when separate offices, not in general office buildings, are maintained for officers whose salaries are charged to this account.

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Atlases and maps.	Official train service.
Books for office use.	Periodicals and newspapers.
Fees and dues of associations.	Power.
Furniture repairs and renewals.	Telegraph service.
Heating.	Telephone service.
Lighting.	Traveling expenses.
	Water and ice.

NOTE A: When employees designated above are engaged in work not chargeable to primary accounts under § 14.0-3 Power, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have supervision.

§ 14.46 Power plant buildings, fixtures, and grounds. This account shall include the cost of labor and material used in repairing power plant and substation buildings and fixtures; or used in the generation, transmission, or distribution of power; cost of maintaining walks, driveways, and grounds connected with such buildings; and all incidental expenses connected with the maintenance of power plant and substation buildings. The cost of labor and material used in repairing wells, dams, reservoirs, canals, and pipe lines used in connection with hydraulic or other generating plants shall also be included in this account.

To this account shall be credited the value of material removed.

The term power plant buildings, fixtures, and grounds embraces not only the buildings proper, but also permanent fixtures; foundations, except those special to particular machines and apparatus; pipes for gas, water, sewerage, and drainage; apparatus for heating, lighting, and ventilating; freight and passenger elevators, with fixtures and appurtenances; platforms; coal pockets and trestles; hose and appliances for protecting buildings against fire; fences, walls, sidewalks, and pavements within the limits of grounds immediately adjacent to buildings or yards, except paving in tracks.

NOTE A: If the carrier so desires, the expenses of hydraulic generating plants may be kept separate from those of steam generating plants by the use of subprimary accounts.

NOTE B: If desired, the expenses of maintaining substation buildings, fixtures, and grounds may be kept separate by the use of a subprimary account.

§ 14.47 Power plant equipment. This account shall include the cost of labor and material used in repairing steam, water-power, gas-engine, or electric-plant equipment, including turbines, other engines, and engine parts; substation apparatus, storage batteries, transformers, rotary converters, switchboards, appliances, and wiring; special foundations and settings, appliances, and fixtures; belts, belt tighteners, and fixtures; lubricators and oiling devices; shafting, clutches, cranes, hoists, and other engine-room appliances; boilers, boiler fittings, and appliances; furnaces, economizers, mechanical draft machinery, pumps, feed-water heaters, purifiers, tanks, condensers, coal and ash conveying machinery, mechanical stokers, and other boiler-room appliances; piping and steam fittings, including valves, separators, water and sewer connections, and water meters; generators and generator parts, switchboards, cables, feeder terminals, and wiring in connection with same; boosters, rheostats, circuit breakers, voltmeters, ammeters, and other electric equipment; packing and carbon rings; and repair parts of machine tools in power plants.

Repairs of cable used in operating cable or incline railways shall be charged to this account.

The cost of maintaining power plant equipment of a lighting plant operated in connection with an electric railway shall be included in this account.

To this account shall be credited the value of material removed.

§ 14.49 Transmission system. This account shall include the cost of labor and material used in repairing the transmission system, including cables, wires, insulators, and insulating material; also cost of changing route of line or removing line when no replacement is made, and cost of repairing poles, pole fixtures, and underground conduits used primarily for carrying transmission lines.

To this account shall be credited the value of material removed.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers (substation apparatus), that portion of the line or outside conductor sys-

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tem carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rules as other lines.

§ 14.50 Depreciation of power plants. This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable power plant property included under § 14.500-3 *Power*.

§ 14.51 Equalization; power. This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "power" as provided in § 14.01-15 *Equalization of maintenance expenses*. The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

§ 14.51-1 Deferred maintenance; power. This account shall include the estimated cost of repairs to power facilities which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 442-1, "Maintenance reserves," in accordance with the text of that account. (See § 14.01-16 *Deferred maintenance and major repairs to equipment*.)

§ 14.51-2 Retirements; power. This account shall include the proportion of service value of power plant property retired from service which the Commission has authorized charged to account 419, "Retirements," for distribution over a period of years.

§ 14.51-3 Dismantling retired power plants. This account shall include the cost of dismantling power plant facilities retired from service and recovering the salvage therefrom.

§ 14.52 Power plant employees. This account shall include the cost of labor in power plants and substations, except labor employed in making repairs.

§ 14.53 Fuel, water, and lubricants for power. This account shall include the cost of coal, oil, gas, and other fuel used for the propulsion of vehicles or in producing steam at power plants, including cost of transportation; the cost of water to produce steam or to operate water-power plants, including cost of pumping, water rents, rent of ponds and pipelines, boiler compound, and like expenses; and the cost of lubricants, such as oil and grease for power plants and substations.

§ 14.56 Miscellaneous supplies for power. This account shall include the cost of waste, carbon brushes, fuses, lamps, hand tools, and other similar supplies for power plants and substations.

§ 14.59 Power purchased. This account shall include the cost of power purchased from other companies.

NOTE: In this connection see account 60, "Power exchanged—Balance."

§ 14.60 Power exchanged; balance. If a company actually exchanges power with another company, it shall charge to this account the value of the power received from the other company and shall credit to this account the value of the power it delivers to the other company; the amount shown herein being the net debit or credit balance.

§ 14.61 Power transferred; credit. This account may be credited, and the appropriate operating expense accounts charged, with that proportion of the total of the accounts under § 14.0-3 *Power* which the power used for lighting, heating, or for other purposes in offices, carhouses, shops, storerooms, stables, stations, towers, tunnels, signal systems, operating bridges, etc., bears to the total power generated.

The use of this account is optional with the carrier; if used, the working papers showing details of the basis for computing credits hereto and charges to operating expense accounts shall be retained.

§ 14.62 Other operations—Cr. This account shall include credits representing the proportion of operating expenses, included under § 14.0-3 *Power*, chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, for power furnished.

NOTE: The proportion of expenses, included in the primary accounts under § 14.0-6 *General*, chargeable to other coordinate departments shall be included in account 100, "Other operations—Cr."

§ 14.0-4 Conducting transportation. The general account for expense of conducting transportation embraces the following primary accounts:

§ 14.63 Superintendence. This account shall include the salaries and the office and other expenses of officers and assistants when directly in charge of transportation, including superintendent of transportation, division superintendents, their assistants and aids; trainmasters, train dispatchers, car starters, inspectors, instructors, and others employed in superintending transportation; wages of clerks furnishing tickets and supplies to motormen and conductors, and receiving and arranging conductors' remittances for transmittal to general offices; and cost of supplies used by employees whose salaries are charged to this account.

To this account shall also be charged office rent, cost of repairing rented offices, cost of repairing furniture, and miscellaneous office expenses when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account; rent of offices used for receiving conductors' collections, rent of instruction rooms; cost of uniforms and badges furnished inspectors and car starters whose wages are charged to this account; and cost of checking traffic for schedule purposes.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Express charges.
Barometers.	Fees and dues in associations.
Books for office use.	
Business rail car service.	Furniture repairs and renewals.

Heating.	Rent of offices.
Lighting.	Repairs of rented offices.
Official train service.	Telegraph service.
Periodicals and newspapers.	Telephone service.
Power.	Traveling expenses.
Provisions for business rail cars.	

NOTE A: Cost of secret-service inspection shall be charged to account 67, "Miscellaneous car-service expenses."

NOTE B: No portion of the expenses of general offices shall be charged to this account.

NOTE C: When employees designated above are engaged in work not chargeable to Conducting Transportation, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE D: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

§ 14.64 Passenger conductors, motormen, and trainmen. This account shall include the wages of conductors, motormen, and other trainmen engaged in passenger service, including wages paid for time during which they are required to be on duty and to hold themselves in readiness for active service.

§ 14.65 Freight and express conductors, motormen, and trainmen. This account shall include the wages of conductors, motormen, and other trainmen engaged in freight, express, and mail service, including wages paid for time during which they are required to be on duty and to hold themselves in readiness for active service.

§ 14.66 Miscellaneous car-service employees. This account shall include the wages of transfer agents, switch tenders, switchmen, flagmen, watchmen, trail-car couplers, bridge tenders, and other car-service employees when not provided for elsewhere.

§ 14.67 Miscellaneous car-service expenses. This account shall include miscellaneous expenses for cars, locomotives, and electric equipment of cars and locomotives, such as lubricants and waste, incandescent lamps, oil, and other supplies for lighting globes, and carbons for headlights, supplies for cleaning, fuel for heating, switch rods or hooks for throwing switches, tools, and other materials and supplies, except such as are used for repairs.

This account shall include also the cost of secret-service inspection; conductors' books and punches; rent of fare registers; car-service employees' badges and uniforms; refilling of fire extinguishers in cars; portable signs on cars for guidance of passengers; meals furnished trainmen; temporary grain doors; and other car-service supplies and expenses.

NOTE: Portable signs on cars for the purpose of attracting traffic shall be charged to account 80, "Advertising."

§ 14.68 Station employees. This account shall include the wages of station-masters; freight, express, ticket, baggage, and other station agents; announcers, station gatemen, chopper men, and platform men; janitors, porters, watchmen, and other station employees; warehousemen, freight house foremen, weigh-

masters, truckmen, checkmen, billing clerks, cashiers, and other express and freight house employees.

The cost of unloading freight at stations or sidings, when borne by the carrier, shall be charged to this account.

NOTE: When a station employee is engaged in various duties and his wages can be readily apportioned among the accounts affected, such apportionment should be made.

§ 14.69 Station expenses. This account shall include the cost of heating and lighting stations, waiting rooms, freight houses, and other station buildings; rent of station buildings; cost of repairing rented waiting rooms, and of repairing furniture and fare boxes at stations; local telephone service; cost of tools and implements for handling freight and baggage; station employees' uniforms and badges; water and ice; and all other station expenses.

ITEMS OF EXPENSE

- Express charges.
- Furniture repairs and renewals.
- Heat, light, and power.
- License for ticket agents.
- Mail transfer.
- Membership fees and dues.
- Rent of equipment.
- Rent of buildings.
- Reports of commercial standings.
- Servicing buildings and grounds.
- Station employees' expenses.
- Telegraph and telephone service.
- Warehouse charges.
- Washing towels.

§ 14.70 Carhouse employees. This account shall include the wages of carhouse foremen; car, motor, and brake inspectors; watchmen, car placers, car shifters, car cleaners, lamp and headlight tenders, car oilers, car-stove firemen, trolley oilers, and other carhouse employees not engaged in making repairs.

NOTE: The cost of labor used in shifting trucks and electric equipment shall be charged to accounts 30, 31, 32, 33, or 34, as may be appropriate.

§ 14.71 Carhouse expenses. This account shall include the cost of fuel, light, water, ice, and other carhouse supplies and expenses.

ITEMS OF MISCELLANEOUS EXPENSE

Compounds for	Packing tools.
cleaning.	Paint.
Cupboards.	Power.
Heating.	Rent.
Lighting.	Showels.
Lanterns.	Signals.
Lubricating oil.	Waste.
Lye.	Water.

§ 14.72 Operation of signal and interlocking apparatus. This account shall include the wages of employees engaged in operating signal and interlocking apparatus covering the movement of cars, such as tower men, signalmen, lever men, and lamp men; cost of supplies used in operating signal and interlocking apparatus; cost of fuel, water, light, and supplies for signal offices; rent of appliances for signal and interlocker systems; cost of cleaning, filling, and lighting switch lamps, and supplies for same.

NOTE: When an employee is engaged in various duties and his wages can be readily apportioned among the accounts affected, such apportionment should be made.

§ 14.73 Operation of communication systems. This account shall include the wages of telephone and telegraph operators, cost of chemicals and other supplies for telephone and telegraph service, payments for use of telephone and telegraph lines, and other telephone and telegraph expenses in connection with transportation. The rent of telephone or telegraph lines used primarily for the operation of cars shall be included in this account.

NOTE: Repairs of telephone and telegraph lines shall not be charged to this account, but to account 18, "Communication systems." The cost of telephone service for general purposes shall be charged to account 89, "Miscellaneous general expenses," and when for local service at stations to account 69, "Station expenses."

§ 14.74 Operation of floating equipment. This account shall include the cost of operating floating equipment, including salaries and wages of employees engaged in the superintendence and operation of ferryboats, transfer boats, tug-boats, barges, lighters, car floats, and other floating equipment; the cost of fuel and supplies for such equipment; and all other expenses incident to their operation. (See § 14.01-7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*)

NOTE: The cost of maintaining floating equipment shall be charged to account 35, "Floating equipment."

§ 14.75 Operation of steam locomotives. To this account shall be charged the cost of operating steam locomotives, including wages of engineers and firemen, fuel, water, lubricants, and other supplies and expenses in connection with such operation. (See § 14.01-7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*)

NOTE: Repairs to steam locomotives shall not be charged to this account, but to account 34, "Locomotives."

§ 14.75-1 Steam railway operations. This account may include the expenses incurred in connection with the transportation of persons and property in steam railway service and services incidental thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its system of accounts for steam roads.

§ 14.75-2 Water line operations. This account may include the expenses incurred in connection with the transportation of persons and property in water line service and services incidental thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its system of accounts for carriers by water.

§ 14.75-3 Motor carrier operations. This account may include the expenses incurred in connection with the transportation of persons and property in motor carrier service and services inci-

dental thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its system of accounts for motor carriers of passengers and for motor carriers of property.

§ 14.76 Collection and delivery. This account shall include the wages of driver and helpers engaged in the collection and delivery of freight and express; amounts payable to others for such service; and all other expenses incident to such service that can be separated from the expenses of regular operations.

§ 14.77 Loss and damage. This account shall include expenses incurred for loss, damage, delays, and destruction of freight, express matter, and baggage intrusted to a carrier for transportation, and expenses directly incident thereto, including freight and express charges paid other carriers on lost, destroyed, damaged, or delayed freight, express matter, and baggage.

§ 14.78 Other transportation expenses. This account shall include all expenses in connection with conducting transportation not properly chargeable to other accounts, such as expenses in connection with weighing, inspection, and demurrage bureaus, wages of crews on emergency vehicles, cost of getting derailed cars on track, and cost of removing wreckage.

§ 14.0-5 Traffic. The general account for traffic expense embraces the following primary accounts:

§ 14.79 Superintendence. This account shall include the salaries and the office and traveling expenses of officers and their assistants when directly in charge of traffic, including traffic managers; general freight, express, passenger, and ticket agents; commercial, city, district, and excursion agents; and their clerks and assistants; also the cost of supplies used by employees whose salaries are charged to this account, office rent and cost of repairing rented offices and furniture, and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

- Atlases and maps.
- Bicycles.
- Books for office use.
- Express charges.
- Fees and dues in associations and clubs.
- Furniture repairs and renewals.
- Heating.
- Lighting.
- Official train service.
- Periodicals and newspapers.
- Power.
- Rent of offices.
- Repairs of rented offices.
- Telegraph service.
- Telephone service.
- Traveling expenses.
- Water and ice.

NOTE A: It is not intended that any portion of expenses of general offices shall be charged to this account. The office expenses of employees designated above who have

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offices in general office buildings shall be included in the appropriate primary accounts under § 140-6 *General*.

NOTE B: When employees designated above are engaged in work not chargeable to Traffic, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE C: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

§ 14.80 Advertising. This account shall include the salaries and expenses of advertising agents; cost of printing, publishing, and distributing timetables, folders, notices to shippers, and other advertising matter; advertising in newspapers and periodicals for the purpose of securing traffic; signs on cars advertising special events; portable signs for attracting traffic; bulletin boards, cards, cases, display cards, and photographs; postage and express charges on advertising matter; cost of bill posting; donations made for traffic purposes and for entertaining conventions; and similar expenses.

ITEMS OF EXPENSE AND SUPPLIES

Advertising in periodicals and newspapers.
Bulletin boards and cards.
Distributing folders, notices, and timetables.
Dodgers.
Frames.
Handbills, maps, pamphlets.
Photographs and views.
Postage.
Posters, advertising matter, folders.
Timetables and racks.

§ 14.81 Parks, resorts, and attractions. This account shall include the cost of maintaining and operating amusement parks, resorts, and other like attractions when such expense is incurred primarily for the purpose of inducing travel upon the line of the carrier.

To this account shall be credited all income from admittance fees, sale of privileges, etc.

Note: When any such park, resort, or other attraction, the cost of which is included in the account for investment in road and equipment, is maintained and operated for any other purpose than that of inducing travel upon the line of the carrier it shall be considered as an auxiliary operation and its revenues and expenses included in income accounts 202, "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses," respectively.

§ 14.82 Miscellaneous traffic expenses. This account shall include expenses of traffic associations, including membership fees, and traffic expenses not properly chargeable to other accounts.

§ 14.0-6 General. The general account for general expenses embraces the following primary accounts:

§ 14.83 Salaries and expenses of general officers. This account shall include the salaries and the traveling and other expenses of the chairman of the board, president, vice president, treasurer, secretary, comptroller, auditor, general manager, assistant general manager, chief engineer, general superintendent, purchasing agent, and all other officers whose jurisdiction extends over the entire system or all departments; also receiver's fees, and payments to engineering corporations for supervising and managing operations of the company.

§ 14.84 Salaries and expenses of general office clerks. This account shall include the salaries and the traveling and other expenses of traveling auditors, bookkeepers, cashiers, paymasters, stenographers, clerks employed in counting cash, tickets, and transfers, and all other clerks employed in the general office.

The salaries of clerks engaged exclusively in handling the accounts of the maintenance of way, mechanical, store, and other departments, when employed in the general accounting office, shall be charged to this account.

§ 14.85 General office supplies and expenses. This account shall include the cost of office supplies, repairs of office furniture and of mechanical calculators, typewriters, duplicating machines, and other office appliances; wages of janitors, porters, and messengers; rent and cost of repairing rented offices; and miscellaneous expenses of general offices.

ITEMS OF EXPENSE AND SUPPLIES

Adding machines.	Heating.
Addressographs.	Lighting.
Alterations of partitions and fixtures.	Messenger service.
Atlases and maps.	Periodicals and newspapers.
Arm rests.	Phonographs and records.
Books for office use.	Rent of offices.
Cable tolls.	Rent of equipment.
Calculating machines.	Repairs of rented offices.
Cleaning.	Reports of commercial standing.
Coin counting machines.	Shears.
Dictaphones.	Telegraph service.
Dictographs.	Telephone service.
Duplicators.	Typewriters and ribbons.
Eyelet punches and eyelets.	Watchman service.
Express charges.	
Furniture repairs and renewals.	

NOTE A: Office expenses of departmental officers shall be charged to the accounts to which their salaries are charged.

NOTE B: If general offices are in buildings owned by the carrier or held under long-term lease, the cost of repairs shall be included in account 24, "Buildings, fixtures, and grounds."

§ 14.86 Law expenses. This account shall include all law expenses except those incurred in the defense and settlement of damage claims. It includes salaries and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices; fees and retainers for services of attorneys not regular employees; cost of law books; cost of printing briefs, legal forms, testimony, reports, etc.; court costs and payments of special, notarial, and witness fees not provided for elsewhere; expenses connected with taking depositions; law expenses of receivers; and all law and court expenses not provided for elsewhere.

ITEMS OF EXPENSE AND SUPPLIES

Arbitrators of disputes.	Law books.
Cost of depositions.	Legal reports.
Cost of testimony.	Membership in associations.
Cost of lawsuits.	Notarial fees.
Court bonds.	Office expenses.
Court expenses.	Printing briefs, etc.
Drawing agreements.	Portion of general office expenses.
Express charges.	Rent of offices.
Fees and retainers.	

Special fees. Telephone service.
Telegraph service. Traveling expenses.

NOTE: The compensation of the general solicitor, counsel, or other attorneys engaged partly in the defense and settlement of damage suits and partly in other legal work, shall be apportioned between this account and account 92, "Injuries and damages."

§ 14.87 Relief department expenses. This account shall include salaries and expenses incurred in connection with conducting a relief department; also contributions made to such department.

§ 14.88 Pensions and gratuities. This account shall include pensions and gratuities paid to retired or incapacitated employees, or heirs of employees, and expenses in connection therewith; also cost of life and benefit insurance on employees.

NOTE: If the carrier has definitely undertaken by contract to pay pension to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such purposes, it shall charge to this account monthly amounts determined by application of actuarial factors to monthly payrolls, which, with interest accruals on trust funds, will provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. If the carrier has definitely undertaken by contract to pay pensions to employees for life when regularly retired for superannuation or disability but has not established a fund to be held in trust for such purposes, it may charge to this account during the year of retirement an amount determined by application of actuarial factors equal to the total anticipated cost of such pension. The amounts so charged shall be currently credited to a reserve (account 437, "Liability for provident funds"). The amount accrued each year shall correspond to the aggregate of the amounts paid into the trust fund and expended by the carrier for pensions or annuities during the year. The carrier shall maintain a complete record.

Before adopting such a plan, the carrier shall inform the Commission of the details and copy of the declaration of trust under which the fund is established.

In addition, this account may be charged with amortization of past services paid to insurance companies or to a trust (not to exceed 10% a year).

No charge to this account shall be made in anticipation of discretionary pension payments in the future.

§ 14.89 Miscellaneous general expenses. This account shall include miscellaneous expenses connected with the general management not provided for otherwise, such as cost of "safety first" or "prevention of accidents" campaigns, fees and expenses paid to directors and trustees, dues and fees for railway associations, cost of free entertainments for employees, fees for filing annual state reports; and also gratuities, subscriptions, and donations, not provided for in account 80, "Advertising," 87, "Relief department expenses," and 88, "Pensions and gratuities."

§ 14.90 Valuation expenses. This account shall include expenses incident to the ascertainment (in accordance with the Interstate Commerce Act or with other Federal or State requirements) of the value of property owned or used by the accounting carrier, such expenses including the pay and the office, traveling, and other expenses of officers specially

employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing, and of engineering supplies consumed.

NOTE: No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work, but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work shall be included as a part of the cost of the work.

§ 14.91 Amortization of franchises. This account shall include each month a monthly proportion of the amount paid for limited franchises.

The amount charged to this account shall be based upon a plan determined by the accounting company, the purpose and effect of such plan being to accumulate by charges equitably distributed throughout the life of any franchise, a reserve that will, at the expiration of its life, equal the amount paid therefor.

NOTE A: Amounts charged to this account shall be concurrently credited to balance sheet account 444, "Reserve for amortization of franchises."

NOTE B: See road and equipment account 545, "Franchises."

§ 14.92 Injuries and damages. This account shall include expenditures on account of persons killed or injured and property damaged; compensation paid employees injured while in performance of their duties; salaries and expenses of claim agents, investigators, adjusters, and others engaged in the investigation of accidents and adjustment of claims; salaries, fees, and expenses of surgeons and doctors; medical and surgical supplies, nursing and hospital attendance; fees and expenses of coroners and undertakers; and fees of witnesses and others.

To this account shall be charged also law expenses incurred in connection with the defense or settlement of damage claims, including the compensation of general solicitor or counsel; salaries, fees, and expenses of attorneys, fees of court stenographers; cost of law books; cost of appeal bonds; cost of printing briefs, and court and other records; court costs, expenses connected with taking depositions, and other like expenses connected with the settlement of claims for injuries and damages.

The cost of repairing another company's tracks and equipment as the result of collisions, derailments, etc., shall be included in this account.

If desired, the carrier may charge to this account monthly and credit to a reserve account, a proportion of the total amount estimated to be necessary to expend during the year for injury and damage claims and the actual disbursements above designated shall then be charged against said reserve account. The charges to this account shall be adjusted at the close of the year to actual expenses unless a balance remains representing liability for unsettled claims.

NOTE A: The compensation of the general solicitor or counsel and other attorneys engaged partly in the defense or settlement of damage suits and partly in other legal work shall be apportioned between this account and account 86, "Law expenses."

NOTE B: This account shall not include the expenses incurred in connection with

the settlement of claims for loss, damage, or delay of goods intrusted for transportation. (See account 77 "Loss and damage.")

NOTE C: The cost of repairs to a company's own tracks and equipment, necessitated by collisions, derailments, etc., shall be charged to the appropriate maintenance accounts.

NOTE D: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account, as required by the text.

§ 14.93 Insurance. This account shall include premiums paid for fire, fidelity, boiler, casualty, burglary, workmen's compensation, and other insurance; also amounts set aside as an insurance reserve by a company carrying its own insurance in whole or in part.

NOTE A: Insurance on supplies and materials in transit shall not be charged to this account, but shall be considered as part of the cost of such supplies and materials.

NOTE B: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by their text.

§ 14.94 Stationery and printing. This account shall include expenditures for stationery and printing, postage, and stationery supplies, except as provided for elsewhere. The cost of printing tickets, transfers, cash fare receipts, baggage checks, hat checks, milk checks, and waybills shall be charged to this account.

STATIONERY AND PRINTING ITEMS

Baggage checks and forms.	Neostyles.
Bills of lading.	Note paper.
Binders.	Notices.
Blank books.	Numbering stamps.
Blotters.	Oil paper.
Bristol board.	Paper baskets.
Calendars.	Paper clips.
Carbon paper.	Paper cutters.
Cardboard.	Paper fasteners.
Cards.	Paper weights.
Circulat.	Papyrus.
Classifications.	Parchment paper.
Computing tables.	Passes.
Copy books.	Paychecks.
Coppresses.	Pencil sharpeners.
Crayons.	Pencils.
Cyclostyles.	Penholders.
Cross section books and paper.	Pen racks.
Dating stamps and ribbons.	Pens.
Delivery tickets.	Postage.
Delivery sheets.	Punches.
Drawing paper.	Rate sheets.
Electric pens.	Rubber bands.
Envelopes.	Rubber stamps.
Erasers.	Rulers.
File boxes.	Ruling pens.
Forms.	Scrap books.
Glass pens.	Sealing wax.
Hectographs.	Seals.
Indexes.	Shipping orders.
Ink.	Shipping tags.
Ink stands.	Shorthand books.
Invoice books.	Sponge cups.
Legal paper.	Stamps.
Letter paper.	Stylographs.
Manifold paper.	Tablets.
Manifold pens.	Tape.
Mileage books.	Telegraph blanks.
Mimeographs.	Tickets.
Mucilage and brushes.	Time tables.
	Tissue paper.

Tracing cloth.
Twine.
Wage tables.
Wastebaskets.

Water colors.
Wrapping paper.
Wringers.

NOTE A: The cost of printing briefs and other legal papers shall be charged to account 86, "Law expenses," or 92, "Injuries and damages." The cost of printing signs, posters, and other advertising matter shall be charged to account 80, "Advertising."

NOTE B: The cost of repairing mechanical calculators, typewriters, duplicating machines, and other office appliances, if for use of general offices, shall be charged to account 85, "General office supplies and expenses," and if for the use of departmental offices, to the accounts to which the expenses of such offices are chargeable.

NOTE C: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by the text.

§ 14.95 Store expenses. This account shall include the salaries and expenses in connection with storerooms, including cost of sending material and supplies from general storerooms to branch storerooms, and cost of handling scrap material in store.

NOTE: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by the text.

§ 14.96 Service garage expenses and supplies. This account shall include the salaries and wages of drivers, chauffeurs, garmen, and other employees in service garages; also the cost of fuel, gasoline, and all other material and supplies used in operation of service garages.

NOTE: This account shall not include wages of employees provided for in account 76, "Collection and delivery."

§ 14.97 Rent of tracks and facilities. This account shall include amounts paid for rent or use of tracks, electric lines, terminals, and bridges, whether a fixed charge per month or per year, a proportion of interest on valuation, a proportion of expenses incurred in maintaining and operating such properties, an amount based on car mileage, a charge per car or passenger, or any other arrangement, when such property is used jointly by the accounting and other carriers.

NOTE: Rent of leased line no longer operated by the lessor company is not considered an operating expense, and therefore shall not be charged to this account, but treated as a deduction from income under account 216, "Rent for leased roads."

§ 14.98 Rent of equipment. This account shall include payments to other companies for rent or use of their cars, electric equipment of cars, and other rail equipment, on whatever basis such rent may be determined.

This account shall include the gross amount paid for rent of equipment and not the net balance between the amounts paid and received for rent of equipment.

§ 14.99 Other operations—Dr. This account shall include debits representing the proportion of operating expenses

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chargeable to general expenses of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as an electric power, light, or heat department within the same company.

§ 14.100 Other operations—Cr. This account shall include credits representing the proportion of operating expenses included under the general account General chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

§ 14.0-7 Accounts for small carriers, Class II. See provisions of § 14.00-1 *Classification of carriers.* The condensed groupings of operating expense accounts for Class II small carriers are as follows: The account numbers shown for each title being the corresponding account or accounts prescribed for Class I carriers:

	WAY AND STRUCTURES
1	Superintendence.
2 to 12	Maintenance of roadway and track.
13 to 19	Other maintenance of way.
22	Distribution system.
23	Miscellaneous electric line expenses.
24	Buildings, fixtures, and grounds.
24-1 to 24-3	Maintenance steam railway, water line, and motor carrier property.
25	Depreciation of way and structures.
26	Other operations—Dr.
27	Other operations—Cr.
28	Equalization—Way and structures.
28-1	Deferred maintenance—Way and structures.
28-2	Retirements—Way and structures.
28-3	Dismantling retired way and structures.
	EQUIPMENT
29	Superintendence.
30 to 32	Maintenance of cars.
33	Electric equipment of cars.
34	Locomotives.
35	Floating equipment.
35-1 to 35-3	Maintenance steam railway, water line, and motor carrier equipment.
36 to 39	Miscellaneous equipment expenses.
40	Depreciation of equipment.
42	Other operations—Dr.
43	Other operations—Cr.
44	Equalization—Equipment.
44-1	Deferred maintenance—Equipment.
44-2	Major repairs—Equipment.
44-3	Dismantling retired equipment.
	POWER
45	Superintendence.
46 to 47	Power plants.
49	Transmission system.
50	Depreciation of power plants.
51	Equalization—Power.
51-1	Deferred maintenance—Power.
51-2	Retirements—Power.
51-3	Dismantling retired power plants.
52 to 56	Wages, expenses, and supplies.
59 to 61	Power purchased, exchanged, and transferred.
62	Other operations—Cr.

CONDUCTING TRANSPORTATION		POWER	
63	Superintendence.	45	Superintendence.
64 to 65	Conductors, motormen, and trainmen.	46 to 49	Power plants.
66 to 67	Miscellaneous car-service employees and expenses.	50	Depreciation of power plants.
68 to 69	Station employees and expenses.	51	Equalization—Power.
70 to 71	Carhouse employees and expenses.	51-1	Deferred maintenance—Power.
72 to 73	Signal, interlocker, and communication operations.	51-2	Retirements—Power.
74	Operation of floating equipment.	51-3	Dismantling retired power plants.
75	Operation of steam locomotives.	52 to 56	Wages, expenses, and supplies.
75-1 to 75-3	Steam railway, water line, and motor carrier operations.	58 to 61	Power purchased, exchanged, and transferred.
76	Collection and delivery.	62	Other operations—Cr.
77	Loss and damage.		
78	Other transportation expenses.		
TRAFFIC		CONDUCTING TRANSPORTATION	
79 to 82	Traffic expenses.	63	Superintendence,
		64 to 65	Conductors, motormen, and trainmen.
		66 to 78	Miscellaneous transportation expenses.
GENERAL		TRAFFIC	
83 to 85	Salaries, expenses, and supplies of general officers and clerks.	79 to 82	Traffic expenses.
86	Law expenses.		
87 to 89	Relief, pensions, and miscellaneous general expenses.		
90	Valuation expenses.	83 to 89	General
91	Amortization of franchises.	90	Valuation expenses.
92 to 93	Injuries, damages, and insurance.	92 to 96	Amortization of franchises
94	Stationery and printing.	97 to 98	Miscellaneous expenses
95	Store expenses.	99 to 100	Rents.
96	Service garage expenses and supplies.		Other expenses.
97 to 98	Rents.		
99	Other expenses—Dr.		
100	Other expenses—Cr.		
§ 14.0-8 Accounts for small carriers, Class III.		OPERATING REVENUES	
	See provisions of § 14.00-1 <i>Classification of carriers.</i> The condensed groupings of operating expense accounts for Class III small carriers are as follows; the account numbers shown for each title being the corresponding account or accounts prescribed for Class I carriers.		§ 14.02 General instructions.
WAY AND STRUCTURES			§ 14.02-1 Accounts for operating revenues.
1	Superintendence.		The accounts provided for operating revenues are designed to show amounts of money which the carrier becomes entitled to receive from transportation and from services incident thereto. Credits to the revenue accounts shall, as nearly as practicable, be upon the basis of accruals of revenue.
2 to 19	Maintenance of way.		Uncollectible tariff charges on unclaimed or refused shipments, transported in accordance with contract of shipment, shall be charged to the appropriate revenue account after deducting the proceeds, if any, derived from the sale of such freight. The appropriate revenue account also shall be charged with revenues for which the service has been rendered that are determined, after exhausting reasonable efforts, to be uncollectible.
22 to 23	Maintenance of electric lines.		Except as otherwise provided, the appropriate revenue account shall include collections in excess of tariff charges, such collections being subject to refund.
24	Buildings, fixtures, and grounds.		§ 14.02-2 Auxiliary operations.
24-1 to 24-3	Maintenance steam railway, water line, and motor carrier property.		If a carrier conducts a general power, light, heat, or other business not incident to transportation, the entire revenue of each of such operations shall be stated separately in subaccounts under income account 202, "Auxiliary operations—Revenues." (See § 14.01-2 <i>Auxiliary operations</i> , and § 14.01-3 <i>Exclusion of auxiliary operations expenses</i> .)
25	Depreciation of way and structures.		§ 14.02-3 Delayed items.
26 to 27	Other operations.		The carrier shall account for delayed items or adjustments and cancellation of entries arising during the current year and relating to prior years in accordance with the provisions of § 14.01-6 <i>Delayed items</i> .
28	Equalization—Way and structures.		§ 14.02-4 Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.
28-1	Deferred maintenance—Way and structures.		If the carrier operates a steam railroad division or conducts both electric and steam railroad operations and desires to keep the revenues from such operations
28-2	Retirements—Way and structures.		
28-3	Dismantling retired way and structures.		
EQUIPMENT			
29	Superintendence.		
30 to 33	Maintenance of cars and electrical equipment.		
34	Locomotives.		
35	Floating equipment.		
35-1 to 35-3	Maintenance of steam railway, water line, and motor carrier equipment.		
36 to 39	Miscellaneous equipment expenses.		
40	Depreciation of equipment.		
42 to 43	Other operations.		
44	Equalization—Equipment.		
44-1	Deferred maintenance—Equipment.		
44-2	Major repairs—Equipment.		
44-3	Dismantling retired equipment.		

separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for steam railroads. If the carrier conducts water line or ferry operations and desires to keep the revenues from such operations separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for carriers by water. If the carrier operates motor vehicles and desires to keep the revenues from such operations separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for motor carriers of property and the system of accounts for motor carriers of passengers.

REVENUE ACCOUNTS

TRANSPORTATION

§ 14.101 Passenger revenue. This account shall include amounts earned for the transportation of passengers. To it shall be credited the carrier's proportion of receipts from the sale of tickets and transfers and from the collection of cash fares.

To this account shall be charged amounts paid for fares refunded and for tickets and transfers redeemed; also amounts paid for transferring passengers and baggage between stations, except in cases where the transfer of both passengers and baggage is provided for in the division of the through rate.

NOTE A: Cash fare penalty collections made by conductors and the proportion of amounts derived from sales of mileage tickets and mileage credentials, and subject to refund, shall not be credited to this account.

NOTE B: Receipts from mileage books when sold shall be credited to an open account, which account shall be charged and this account credited as the mileage is honored for transportation. A similar practice may be followed in connection with the sale of strip, coupon, and other tickets.

§ 14.102 Baggage revenue. This account shall include amounts earned for the transportation of baggage in excess of free authorized allowances; and for transportation of packages, articles, dogs, etc., as baggage.

To this account shall be charged all baggage refunds.

§ 14.103 Parlor, sleeping, dining, and special car revenue. This account shall include amounts earned for seat accommodations furnished in parlor, observation, chair, and other special passenger cars, including revenue from cars chartered for special passenger service, from berth and seat accommodations furnished in sleeping cars, and from meals, beverages, cigars, tobacco, and other articles sold on dining, sleeping, and special cars.

To this account shall be charged the cost of provisions, beverages, cigars, tobacco, and other articles sold on dining, sleeping, and special cars. To this account shall be charged also amounts previously credited thereto representing refunds of fares for accommodations, refunds of overcharges resulting from the use of erroneous rates, and other authorized refunds.

§ 14.104 Mail revenue. This account shall include amounts earned for the transportation of mails and for the use of railway mail cars, for use of special facilities, and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government, when not collected from agents or employees.

§ 14.105 Express revenue. This account shall include amounts earned for transportation of express matter and for use of facilities on cars and at stations incident to such transportation, but not including the separate rents of offices at stations.

When a railway company transacts an express business through its regular railway organization, the earnings therefrom shall be credited to this account. The revenue from express traffic handled under contract with an express company, regardless of the arrangement or basis upon which the compensation is fixed, shall be credited to this account.

The term express is intended to cover matter handled at a higher rate than for freight on account of quicker service or collection and delivery.

NOTE: Rent receivable for rooms at stations used by others in connection with express service shall be credited to account 117, "Rent of buildings and other property."

§ 14.106 Milk revenue. This account shall include amounts earned for the transportation of milk and cream.

To this account shall be charged refunds and overcharges on milk and cream so carried.

§ 14.107 Freight revenue. This account shall include amounts earned for the transportation of freight, other than milk and cream.

To this account shall be charged overcharges paid, resulting from the use of erroneous rates, weights, or classification; amounts paid under tariff authority for switching, drayage, and cartage; authorized allowances; uncollected earnings on freight destroyed in transit, and on short and lost freight.

NOTE: Other carriers' proportions of revenue paid by the carrier on freight lost or destroyed in transit shall be charged to operating expense account 77, "Loss and damage."

§ 14.108 Switching revenue. This account shall include amounts earned for switching service. To this account shall be charged all overcharges on such switching service.

§ 14.109 Miscellaneous transportation revenue. This account shall include all amounts earned from transportation and not provided for elsewhere.

OTHER RAILWAY OPERATIONS

§ 14.110 Station and car privileges. This account shall include revenues from weighing, vending, and other automatic machines located at stations; from advertising at stations and on cars; from news companies or others for the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on cars; from telephone companies for

the privilege of installing and operating commercial telephones at stations; and from similar sources.

§ 14.111 Parcel room receipts. This account shall include revenues from the operation of parcel rooms.

§ 14.112 Storage. This account shall include revenues from storage of freight and baggage.

To this account shall be charged authorized refunds of amounts received for such storage.

§ 14.113 Demurrage. This account shall include revenue from penalties for delay in loading or unloading cars.

To this account shall be charged authorized refunds of amounts received as such penalties.

§ 14.114 Telephone and telegraph service. This account shall include revenues from commercial telephone and telegraph business transacted by it, when the expense of transacting such business cannot be separated from the expense of conducting the railway service; also amounts received from telephone and telegraph companies, whether as proportion of earnings or otherwise, for the privilege of transacting a commercial telephone or telegraph business in offices along the carrier's lines, when the carrier furnishes some service of employees whose wages are included in its operating expenses.

NOTE: When a telephone or telegraph company rents the telephone or telegraph line of the carrier and pays all expenses incident to its maintenance and operation, the rent received by the carrier shall be credited to account 204, "Miscellaneous rent income."

§ 14.115 Rent of tracks and facilities. This account shall include amounts received as rent for use of tracks, electric lines, terminals, bridges, and other facilities whether a fixed charge per month or per year, a proportion of interest on valuation, a proportion of expenses incurred in maintaining and operating such properties, an amount based on car mileage, a charge per car or passenger, or any other arrangement, when such property is used jointly by the accounting and other carriers.

NOTE: Income from leased lines not operated by the lessor shall be included in account 203, "Income from lease of road."

§ 14.116 Rent of equipment. This account shall include amounts received as rent for use of cars, electric equipment of cars, and other equipment, on whatever basis such rent may be determined.

This account shall include the gross amount received for rent of equipment and not the net balance between the amounts received and paid for rent of equipment.

§ 14.117 Rent of buildings and other property. This account shall include rents of buildings, land, and other property, such as depot and station grounds and buildings, general and other offices, rooms rented at stations, docks, wharves, ferry landings, section and other houses, etc., when such property is used in connection with operations. Receipts from other companies for privilege of attach-

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ing wires to the carrier's poles shall also be credited to this account.

NOTE: Income from rent of real estate, purchased or conducted as an outside investment, shall be included in account 205, "Net income from miscellaneous physical property," or account 219, "Net loss on miscellaneous physical property."

§ 14.118 Power. This account shall include all amounts earned for power sold if a carrier does not conduct a general power, light, or heat business.

NOTE: If a carrier conducts a general power, light, or heat business, such business shall be considered an auxiliary operation, and the revenues earned therefrom shall be credited to a separate account. The expenses of conducting such auxiliary operations shall be excluded from the operating expenses of the railway by means of the several accounts entitled "Other operations—Cr." The revenues and expenses of these operations shall be included in income accounts 202 "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses." (See § 14.01-2 *Auxiliary operations*.)

§ 14.119 Miscellaneous. This account shall include all revenues derived from operations other than transportation and not includable in the foregoing revenue accounts.

STEAM RAILWAY, WATER LINE, OR MOTOR CARRIER OPERATIONS

§ 14.120 Steam railway revenue. This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with steam railroad operations. The carrier shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its system of accounts for steam railroads, if it elects to make the segregation.

§ 14.121 Water line revenue. This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with water line or ferry operations. The carrier shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

§ 14.122 Motor carrier revenue. This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with motor carrier operations. The carrier shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers, if it elects to make the segregation.

INCOME

§ 14.03 General instructions.

§ 14.03-1 Income accounts defined. Income accounts are accounts designed to show the total amount of money that a company receives or becomes entitled to receive from its transportation and other operations during a stated period, the returns upon investments accrued during the period, the disbursements and the obligations incurred that affect the

amounts so received or accrued, the disposition or allocation of the income accrued, and the net balance of income (or loss) carried to the Profit and Loss Account.

Where the title and definition of an income account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

§ 14.03-2 Delayed items. The carrier shall account for delayed items or adjustments and cancellations of entries arising during the current year relating to prior years in accordance with the provisions of § 14.01-6 *Delayed items*.

§ 14.03-3 Auxiliary operations. See § 14.01-2 *Auxiliary operations*.

§ 14.03-4 Income from sinking and reserve funds. Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies and accrued interest and other income from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account 209, "Income from sinking fund and other reserves," and if mortgage or other provisions respecting the funds require that such interest and other income shall be retained in the funds in the hands of trustees, the amounts of interest and other income shall be charged to the funds. Concurrently an entry shall be recorded charging account 226, "Income applied to sinking and other reserve funds," and crediting account 449, "Earned surplus—Appropriated."

§ 14.03-5 Unaudited items. When the amount of any item affecting income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the appropriate income account with contra entry to the appropriate balance sheet account. When the item is audited, the necessary adjustment shall be made through the accounts in which the initial estimate was recorded. If, during the interval between the date of the initial estimate and the date of audit of the item, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

§ 14.03-6 Form of income statement. The income statement is designed to show the results from transportation operations and other business of the accounting company during any specified period.

OPERATING INCOME

- 201 Railway operating revenues.
- 213 Railway operating expenses.
- Net revenue (or deficit)—Railway operations.

202	Auxiliary operations—Revenues.
214	Auxiliary operations—Expenses.
	Net revenue (or deficit)—Auxiliary operations.
	Net operating revenue (or deficit).
215	Taxes assignable to transportation operations.
	Operating income (or loss).

NONOPERATING INCOME

203	Income from lease of road.
204	Miscellaneous rent income.
205	Net income from miscellaneous physical property.
206	Dividend income.
207	Income from funded securities.
208	Income from unfunded securities and accounts.
209	Income from sinking fund and other reserves.
210	Release of premiums on funded debt.
211	Contributions from others.
212	Miscellaneous income.
212-1	Delayed income credits.
	Total nonoperating income.
	Gross income (or loss).

DEDUCTIONS FROM GROSS INCOME

216	Rent for leased roads.
217	Miscellaneous rents.
218	Miscellaneous taxes.
219	Net loss on miscellaneous physical property.
220	Interest on funded debt.
221	Interest on unfunded debt.
222	Amortization of discount on funded debt.
223	Income transferred to other companies.
224	Maintenance of organization—Lessor companies.
225	Miscellaneous debits.
229	Delayed income debits.
	Total deductions from gross income.

DISPOSITION OF NET INCOME

226	Income applied to sinking and other reserve funds.
227	Income appropriated for investment in physical property.
228	Miscellaneous appropriations of income.

BALANCE OF INCOME TRANSFERRED TO PROFIT AND LOSS

	Balance of income transferred to profit and loss.
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INCOME ACCOUNTS

CREDIT

	§ 14.201 Railway operating revenues.
	This account shall include the total revenues derived from transportation operations and operations incident thereto as shown in the accounts provided for operating revenues.
	§ 14.202 Auxiliary operations; revenues.

This account shall include the total revenues derived from auxiliary operations.

If a carrier conducts a general power, light, heat, or other business, not incident to transportation operations, the entire revenues from each of such operations shall be stated separately in subaccounts under this account. (See § 14.01-2 *Auxiliary operations*.)

§ 14.203 Income from lease of road. This account shall include the amount receivable by the carrier for the exclusive use of road, tracks, or bridges (including equipment and other railway property, if covered by the contract) owned or controlled, but not operated, by the accounting company, and held by another company under lease or other agreement, whether such amounts are payable directly to the accounting company or are

disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise.

When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account.

If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A: When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 215, "Taxes assignable to transportation operations."

NOTE B: If property the rent of which is chargeable to account 216, "Rent for leased roads," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE C: When specific charges are made against the lessee by the lessor for maintenance of the leased property which is maintained by the latter, the amount of such charges shall be credited by the lessor and charged by the lessee to the appropriate maintenance accounts.

§ 14.204 Miscellaneous rent income. This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for elsewhere.

To this account shall be charged the cost of maintenance of the property rented, and incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

If property, the rent of which is charged to account 217, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE A: If the expenses of the property leased cannot be separated from the expenses of property used in the company's operations, the rents shall be credited to revenue account 117, "Rent of buildings and other property."

NOTE B: Taxes assumed by the accounting company on property the rent of which is credited to this account, shall be charged to account 215, "Taxes assignable to transportation operations."

NOTE C: The rent of property carried in balance sheet account 404, "Miscellaneous physical property," shall be included in account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

NOTE D: Rent and other income from real estate acquired for road and equipment shall be credited to account 551, "Construction work in progress," until the completion or coming into service of the property.

§ 14.205 Net income from miscellaneous physical property. This account shall be credited with the revenues or income from physical property carried in balance sheet account 404, "Miscellaneous physical property," and shall be charged with the cost of maintaining and operating the property, with taxes assessed directly upon such property and with incidental and other expenses in connection therewith, such as cost of negotiating contracts, advertising for tenants, insurance, water rates or rents, conveyancers' fees, and collectors' commissions.

NOTE: If the net balance is a debit, it shall be shown under account 219, "Net loss on miscellaneous physical property."

§ 14.206 Dividend income. This account shall include dividends declared on railway and other stocks the income from which is payable to the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise. Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 209, "Income from sinking fund and other reserves."

§ 14.207 Income from funded securities. This account shall include interest on funded securities of railway and other companies, the income from which is payable to the accounting company, whether such securities are owned by the accounting company and held in its treasury, deposited in trust, or controlled through lease or otherwise. Interest accrued shall not be credited unless its payment is reasonably assured. In other cases the credit to this account shall be based upon the interest actually collected.

At the option of the accounting company there may be included in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE B: The term "funded securities," as here used, means all unmatured bonds, notes, and other evidences of indebtedness (except open accounts for advances) none of which, by the terms of the creation of the debt, matures until more than one year after the date of such creation, provided that in case of an obligation maturing serially, such as car-trust notes, the entire amount shall be included in funded securities if any portion of the obligation matures later than one year after date of issue.

NOTE C: This account shall not include interest on funded securities issued or assumed by the accounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE D: Interest on funded securities of other companies held in sinking or other reserve funds shall be included in account 209, "Income from sinking fund and other reserves."

NOTE E: Interest accruing after maturity on any securities not in sinking or other reserve funds shall be included in account 208, "Income from unfunded securities and accounts."

§ 14.208 Income from unfunded securities and accounts. This account shall include interest on unfunded securities, notes, and other evidences of indebtedness payable on demand or hav-

ing dates of maturity one year or less from the date of issue; interest on matured funded debt of other companies; interest on bank balances and on open accounts, and other analogous items.

NOTE A: Interest on assets held in sinking and other reserve funds shall be included in account 209, "Income from sinking fund and other reserves."

NOTE B: Discounts on bills for material and supplies purchased shall be credited to the accounts to which the original invoices were charged.

§ 14.209 Income from sinking fund and other reserves. This account shall include the income accrued on cash, securities (not issued or assumed by the accounting company), and other assets held in sinking and other reserve funds.

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities of other companies held in sinking or other reserve funds.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE B: Credits representing income from reserve funds, when retained in the funds, shall be concurrently charged to account 226, "Income applied to sinking and other reserve funds," and credited to account 449, "Earned surplus—Appropriated."

§ 14.210 Release of premiums on funded debt. This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt obligations as may be applicable to the period. This proportion shall be determined according to the rule provided in § 14.05-3 *Discount, expense, and premium on funded debt*.

NOTE: The amounts credited to this account shall be concurrently charged to the accounts in which the respective premiums are carried.

§ 14.211 Contributions from others. This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company, when, under the terms of agreements or contracts, no obligation is incurred for subsequent reimbursement.

NOTE A: The amount payable shall be charged by the contributing company to account 223, "Income transferred to other companies."

NOTE B: This account shall not include advances covered by balance sheet account 429, "Nonnegotiable debt to affiliated companies."

§ 14.212 Miscellaneous income. This account shall include all items, not provided for elsewhere, properly creditable to Income Account.

§ 14.212-1 Delayed income credits. This account shall include delayed income credit items and adjustments for which no provision was previously made relating to operating revenues, operating expenses, or income of prior years, and which are relatively so large that their

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inclusion in the appropriate accounts of the current year would seriously distort the revenues, expenses, or income of the year.

DEBIT

§ 14.213 Railway operating expenses. This account shall include the total expenses of transportation operations as shown in the accounts provided for operating expenses of electric railways.

§ 14.214 Auxiliary operations; expenses. This account shall include the total expenses incurred in auxiliary operations. If a carrier conducts a general power, light, heat, or other business not incident to transportation, the entire expenses of each of such operations shall be stated separately, in subaccounts under this account. (See § 14.01-2 *Auxiliary operations*.)

§ 14.215 Taxes assignable to transportation operations. This account shall include Federal, State, county, municipal, school, and other district taxes relating to transportation property, operations (including auxiliary operations), and privileges whether the assessment is based on the valuation of property, on the amount of stocks and bonds issued or outstanding with respect to such property, on the gross or net income or earnings (including Federal income tax), on dividends declared, on the number of passengers or the amount of freight carried, on the length of line operated or owned, on the rolling stock, or otherwise.

This account shall be charged each month with the amount of taxes accruing during the month. When it is not possible to determine the actual accruals, the amount of the annual taxes shall be estimated and one-twelfth of the estimated amount shall be charged to this account monthly. The monthly charges shall be adjusted from time to time during the year as the actual tax levies become known, so as to include, as nearly as may be practicable, the total amount of the taxes in the accounts of the fiscal year to which they apply.

The taxes on leased property used in railway operations shall be included in this account by the carrier obligated to assume such taxes under the terms of the lease.

NOTE A: Taxes assessed directly on property covered by balance sheet account 404, "Miscellaneous physical property," shall be included in account 205, "Net income from miscellaneous physical property," or in account 219, "Net loss on miscellaneous physical property," as may be appropriate. If such property is so intimately connected with railway or auxiliary operations that the taxes can not be segregated, the entire amount shall be included in this account.

NOTE B: Special assessments for street and other improvements and special benefit taxes, such as water-main taxes, drainage taxes, and the like, shall be included in operating expense or road and equipment accounts, as may be appropriate.

NOTE C: Taxes accrued on new lines under construction or on property acquired for the extension of existing lines shall be charged to road and equipment account 551, "Construction work in progress," until the lines are opened for commercial operation or the property acquired becomes available for service.

NOTE D: Income taxes levied upon bondholders and assumed by the company under terms of the mortgage shall be charged to account 225, "Miscellaneous debits."

§ 14.216 Rent for leased roads. This account shall include amounts payable as rent for road, tracks, or bridges (including equipment and other railway property covered by the contract) of other companies, held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 215, "Taxes assignable to transportation operations."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 203, "Income from lease of road," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is charged to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 203, "Income from lease of road."

NOTE D: Payments for the exclusive use of leased property maintained by the lessor and used by the lessee shall be divided between maintenance and rent, and the maintenance proportion charged to the appropriate maintenance accounts and the rent proportion to this account. When specific charges are made against the lessee by the lessor for maintenance of leased property which is maintained by the latter, maintenance shall be credited by the lessor and charged by the lessee to the appropriate maintenance accounts.

§ 14.217 Miscellaneous rents. This account shall include rents accrued on property held by the accounting company under lease or other agreement, when such rents are not properly chargeable to account 216, "Rent for leased roads," or to operating expenses.

NOTE A: This account shall not include rents provided for in the classification of operating expense. Rent of property used in auxiliary operations shall be charged to account 214, "Auxiliary operations—Expenses."

NOTE B: If property the rent of which is chargeable to this account is sublet by the accounting company to others, the rent from the sublease shall be credited to account 204, "Miscellaneous rent income."

§ 14.218 Miscellaneous taxes. This account shall include all accruals for taxes other than those provided for in accounts 205, 215, and 219, such as taxes on securities owned, taxes on income from securities owned, and analogous tax items.

§ 14.219 Net loss on miscellaneous physical property. This account shall be charged with the expense of maintaining and operating physical property the cost of which is included in balance sheet account 404, "Miscellaneous physical property," with taxes assessed directly upon such property, and with incidental and other expenses in connection therewith, such as cost of negotiating contracts, advertising for tenants, insurance, water rates or rents, conveyancers' fees, and collectors' commissions.

To this account shall be credited the revenues or income from such property.

NOTE: If the net balance is a credit, it shall be shown under account 205, "Net income from miscellaneous physical property."

§ 14.220 Interest on funded debt. This account shall include the current accruals of interest on all classes of funded debt, as defined in balance sheet account 427, "Funded debt unmatured," issued or assumed by the accounting company; interest on nonnegotiable debt to affiliated companies; and interest on receiver's certificates issued for a term of more than one year.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE B: When funded debt is incurred for new lines and extensions, or for addition and betterment purposes, the accruals of interest on such funded debt to the date of completion or coming into service of the property so acquired shall be included in road and equipment account 551, "Construction work in progress."

§ 14.221 Interest on unfunded debt. This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue; interest on receiver's certificates issued for a term of one year or less; interest on matured funded securities and open accounts; and other analogous items, including discount on short-term notes payable.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes, the accrual of interest to the date of completion or coming into service of the property shall be included in road and equipment account 551, "Construction work in progress."

§ 14.222 Amortization of discount on funded debt. This account shall be charged during each fiscal period with the proportion of the unextinguished discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule, the uniform application of which throughout the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt.

The charge to this account for any period shall not be either greater or less than the proportion applicable to that period, so long as any portion of the discount and expense remains unextinguished. (See § 14.05-3 *Discount, expense, and premium on funded debt*.)

§ 14.223 Income transferred to other companies. This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts and without obligation for reimbursement.

NOTE A: The amount receivable by the other company shall be credited by it to account 211, "Contributions from others."

NOTE B: Dividends or other payments upon securities issued or assumed by the

accounting company shall not be included in this account.

§ 14.224 Maintenance of organization; lessor companies. This account shall be used by lessor companies only, and shall include the cost of maintaining the organization of lessor companies, such as salaries of officers, clerks, and attendants, office expenses, law expenses, cost of stationery and printing, and cost of supplies.

§ 14.225 Miscellaneous debits. This account shall include all items not provided for elsewhere and properly chargeable to Income Account, such as income taxes levied upon bondholders and assumed by the company under terms of mortgages, and commissions or expenses for paying interest coupons.

§ 14.226 Income applied to sinking and other reserve funds. This account shall include amounts applied to sinking and other reserve funds from income, whether definitely appropriated from income, allotments, or payments of definite amounts under terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments, or accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

NOTE: The amounts charged to this account shall be concurrently credited to account 449, "Earned surplus—Appropriated."

§ 14.227 Income appropriated for investment in physical property. This account shall include amounts appropriated from income to be applied to the construction or acquisition of new lines, extensions, additions or betterments of property, the cost of which is includable in road and equipment accounts or for construction or acquisition of property, the cost of which is includable in account 404, "Miscellaneous physical property." The records shall show separately appropriations for investment in road and equipment and investment in miscellaneous physical property.

NOTE: Amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

§ 14.228 Miscellaneous appropriations of income. Except as provided in account 226, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less discount suffered at time of sale) of any outstanding indebtedness; also, amounts appropriated to provide reserves for doubtful accounts and other purposes not provided for elsewhere.

NOTE: Amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

§ 14.229 Delayed income debits. This account shall include delayed debit items and adjustments for which no provision was previously made relating to operating revenues, operating expenses, or income of prior years, and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort the revenues, expenses, or income of the year.

PROFIT AND LOSS

§ 14.04 General instructions.

§ 14.04-1 Profit and loss accounts. Profit and loss accounts are those designed to show the changes in the corporate surplus or deficit as effected during each fiscal period by the operations and business transactions during that period, by appropriations of surplus made at the option of the carrier, or by miscellaneous losses or gains not provided for elsewhere; and to show also the unappropriated surplus of the carrier at the date of the balance sheet. This group of accounts forms the connecting link between the income accounts and general balance sheet account 450, "Earned surplus—Unappropriated."

Where the title and definition of a profit and loss account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

PROFIT AND LOSS ACCOUNTS

CREDIT

§ 14.301 Credit balance at beginning of fiscal period. This account shall include the net credit balance in the Profit and Loss Account at the beginning of the fiscal period.

§ 14.302 Credit balance transferred from income account. This account shall include the net credit balance brought forward from the Income Account for the fiscal period.

§ 14.306 Miscellaneous credits. This account shall include amounts, not provided for elsewhere, transferred from other accounts to Profit and Loss, and amounts representing increases of resources not properly assignable to the income accounts of the fiscal period for which the accounts are stated. Among the items which shall be included in this account are:

Adjustments or cancellation of balance sheet accounts relating to profit and loss accounts.

Cancellation of balance sheet accounts representing unclaimed wages and vouchered accounts written off because of inability to locate creditors.

Profit from sale or transfer of land.

Profits from sale of investment securities.

Profits from sale or retirement of property assignable to account 404, "Miscellaneous physical property."

Credits from adjustments to bring funded debt securities issued or assumed to par when reacquired at less than par.

Unreleased premiums on funded debt securities reacquired before maturity.

Collection of old accounts previously written off to profit and loss.

§ 14.307 Debit balance at beginning of fiscal period. This account shall include the debit balance in the Profit and Loss

Account at the beginning of the fiscal period.

§ 14.308 Debit balance transferred from income account. This account shall include the net debit balance brought forward from the Income Account for the fiscal period.

§ 14.309 Appropriations of surplus to sinking fund and other reserves. This account shall include amounts of appropriations of surplus for sinking fund and other reserves, and allotments of surplus or payments of definite amounts from surplus into sinking fund and other reserves under terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments, and accretions to such funds representing interest or other returns on the assets therein.

NOTE: The amounts charged to this account shall be credited concurrently to account 449 "Earned surplus—Appropriated."

§ 14.310 Dividend appropriations of surplus. This account shall include amounts declared payable as dividends on actually outstanding capital stock issued or assumed by the accounting company.

This account shall be subdivided so as to show separately the dividends on the various classes of capital stock.

If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

NOTE: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether held in the treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral. (See account 309, "Appropriations of surplus to sinking fund and other reserves.")

§ 14.311 Appropriations of surplus for investment in physical property. This account shall include amounts appropriated from surplus, for the construction or acquisition of new lines and extensions or for additions to and betterments of property the cost of which is includable in the road and equipment accounts, including amounts appropriated for retirement of equipment-trust obligations; and amounts applied for the construction or acquisition of property the cost of which is includable in balance sheet account 404, "Miscellaneous physical property."

These amounts shall be subdivided so as to show (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE: The amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

§ 14.312 Stock discount extinguished through surplus. This account shall include amounts appropriated from surplus to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance sheet account 423-1, "Discount on capital stock," and § 14.05-2 *Discount and premium on capital stock*.)

§ 14.314 Miscellaneous appropriations of surplus. This account shall in-

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clude amounts appropriated from earned surplus to provide a reserve for the discharge of the principal of any indebtedness incurred in the acquisition or improvement of property carried in road and equipment accounts; also for amounts appropriated from surplus not provided for elsewhere.

NOTE: The amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

§ 14.317 Miscellaneous debits. This account shall include amounts, not provided for elsewhere, chargeable to Profit and Loss Account from other accounts; amounts written off in consequence of adjustments; and payments not properly chargeable to the income accounts of the fiscal period for which the accounts are stated. Among the items chargeable to this account are:

Adjustment or cancellation of balance sheet accounts relating to profit and loss accounts.

Losses from sale or transfer of land.

Losses from sale of investment securities.

Losses from sale or retirement of property assignable to account 404, "Miscellaneous physical property."

Debits from adjustments to bring funded debt securities, issued or assumed, to par when reacquired at more than par.

Discount on capital stock extinguished at time of reacquisition, resale, or retirement when in excess of pro rata proportion includible in unearned surplus.

Unextinguished discount on funded debt securities reacquired before maturity.

Payments of old accounts previously written off to profit and loss.

Penalties and fines for violation of law when not provided for elsewhere.

GENERAL BALANCE SHEET

§ 14.05 General instructions.

§ 14.05-1 Balance sheet accounts. The term balance sheet accounts is used to designate those titles under which the ledger accounts are combined and summarized to show the assets, liabilities, and corporate surplus or deficit of the business.

Where the title and definition of a balance sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

§ 14.05-2 Discount and premium on capital stock. Ledger accounts shall be provided to cover the discounts and premiums on each class of capital stock issued or assumed by the company. The total of the net debit balances remaining in these several accounts shall be included in account 423-1, "Discount on capital stock," and the total of the net credit balances in account 425, "Premium on capital stock."

Entries in these accounts representing discounts shall be carried therein until

offset (1) by premiums realized on subsequent sales of the same class of stock, (2) by assessments levied on the stockholders, (3) by charges to account 448, "Unearned surplus," to the extent of the credit balance carried therein, (4) by charges to account 312, "Stock discount extinguished through surplus"; or discount may be retained in account 423-1, "Discount on capital stock," until the stock to which the discount applies is reacquired or retired. Except as provided herein, premiums on capital stock shall be carried in account 425, "Premium on capital stock," until the stock to which the premium applies is reacquired or retired. Assessments against stockholders shall be credited to the premium account of the class of stock so assessed, except that assessments with respect to no-par stock shall be credited to account 423, "Capital stock."

In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

When an issue of capital stock, or any part thereof, is reacquired, either by purchase or through donations by stockholders, it shall be charged at its par value, or if stock without par value, at the proportionate amount at which the particular class of stock is included in account 423, "Capital stock," to that account, if canceled, and to the appropriate asset if not canceled. The difference between the amount at which such reacquired stock was recorded and the amount paid for such stock, including premium or discount applicable thereto, shall be included in account 448, "Unearned surplus." *Provided, however,* That the excess of a debit over the balance carried in unearned surplus shall be charged to account 317, "Miscellaneous debits."

When reacquired capital stock is resold, the difference between the amount at which such stock is recorded in the accounts and the net sale price realized, when resold, shall be included in account 448, "Unearned surplus," subject to the proviso in the preceding paragraph.

§ 14.05-3 Discount expense, and premium on funded debt. Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale of each class of funded debt (including receiver's certificates) issued or assumed by the company. The total of the net debit balances remaining in these several accounts shall be included in account 418, "Discount on funded debt," and the total of the net credit balances in account 440, "Premium on funded debt."

Each month there shall be charged to income account 222, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 210, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts.

Except as provided under road and equipment accounts, no part of the bal-

ance in an account for discount, expense, and premium on funded debt shall be included in the accounts as part of the cost of acquiring or improving property or part of the cost of operation.

Except as provided in this section, the balance in each of the discount, expense, and premium accounts shall be carried therein until the reacquisition of the securities to which they relate, at which time the proportion (based on the ratio of the amount of funded debt reacquired to the actual outstanding before reacquisition) of discount, expense, and premium for the class of funded debt reacquired shall be cleared to account 306, "Miscellaneous credits," or account 317, "Miscellaneous debits," as may be appropriate, unless authorized by the Commission to dispose of it in some other manner.

§ 14.05-4 Contingent assets and liabilities. Contingent assets and liabilities shall not be included in the body of the balance sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance sheet statement.

§ 14.05-5 Reorganizations. Where a carrier involved in receivership or bankruptcy is reorganized so as to preserve in whole or in part the interest of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 401-1, "Acquisition adjustment," the net difference between the total of accounts 401 to 422, inclusive (after distributing to the primary road and equipment accounts the original cost of the transportation property involved), and the total of accounts 423 to 446, inclusive, after all other accounts are properly adjusted under the reorganization plan. The journal entries recording such investments shall be presented to the Commission for consideration and approval before being entered on the books. The carrier shall apply to the Commission for permission to use account 401-1, so far as it is adequate, for the adjustment of differences between amounts originally set up with respect to such investment items and the value of such items as finally determined; and earned surplus shall be affected only by losses and gains clearly attributed to operations subsequent to date of reorganization. Any balance in account 401-1 shall be subject to any adjustment the Commission may direct.

§ 14.05-6 Surplus. Records shall be maintained in such manner as to show two major divisions thereof:

1. Unearned surplus.
2. Earned surplus.

Unearned and earned surplus shall be segregated and clearly differentiated, and no transfer shall be made from the former to the latter, either directly by credits to earned surplus representing gains on transactions in the carrier's own capital stock, or indirectly by charges against unearned surplus to cover losses,

write-downs, charge-offs, or dividend distributions unless approved by the Commission.

After the effective date of this order, carriers shall maintain the surplus accounts provided for herein. If, prior to that date, such a separation has not been made, the surplus shall be segregated at that time so far as practicable, and any surplus not so segregated shall be recorded in account 451, "Unsegregated surplus," until the balance therein can be entirely cleared.

§ 14.05-7 Form of general balance sheet statements.

ASSET SIDE	
Investments	
401 Road and equipment.	
401-1 Acquisition adjustment.	
401-2 Donations and grants.	
Investments in transportation property.	
401-3 Reserve for depreciation—Road and equipment.	
401-4 Reserve for retirements—Nondepreciable property.	
Investment in transportation property less recorded depreciation and anticipated retirements.	
402 Sinking funds:	
Total book assets in short column.	
Carrier's own issue in short column.	
Other assets in long column.	
403 Deposits in lieu of mortgaged property sold:	
Total book assets in short column.	
Carrier's own issue in short column.	
Other assets in long column.	
403-1 Maintenance funds.	
404 Miscellaneous physical property.	
404-1 Reserve for depreciation—Miscellaneous physical property.	
Miscellaneous physical property less recorded depreciation.	
405 Investments in affiliated companies:	
(a) Stocks.	
(b) Bonds.	
(c) Notes.	
(d) Advances.	
406 Other investments:	
(a) Stocks.	
(b) Bonds.	
(c) Notes.	
(d) Advances.	
(e) Miscellaneous.	
406-1 Reserve for adjustment of investment in securities.	
Total.	
Current Assets	
407 Cash.	
408 Special deposits:	
Total book assets in short column.	
Carrier's own issue in short column.	
Other assets in long column.	
409 Loans and notes receivable.	
410 Miscellaneous accounts receivable.	
411 Material and supplies.	
412 Interest, dividends, and rents receivable.	
413 Other current assets.	
Total.	
Deferred Assets	
414 Insurance and other funds:	
Total book assets in short column.	
Carrier's own issue in short column.	
Other assets in long column.	
415 Other deferred assets.	
Total.	

Unadjusted Debts

416	Rents and insurance premiums paid in advance.
418	Discount on funded debt.
419	Retirements.
420	Other unadjusted debits.
421	Securities issued or assumed—Unpledged—In short column.
422	Securities issued or assumed—Pledged—In short column.
	Total.

LIABILITY SIDE

Stock

423	Capital stock:
	Book liability in short column.
	Held by carrier in short column.
	Actually outstanding in long column.
423-1	Discount on capital stock.
424	Stock liability for conversion.
425	Premium on capital stock.
	Total.

Long-Term Debt

427	Funded debt unmatured:
	Book liability in short column.
	Held by carrier in short column.
	Actually outstanding in long column.
428	Receivers' and trustees' securities.
429	Nonnegotiable debt to affiliated companies—
	(a) Notes.
	(b) Open accounts.
	Total.

Current Liabilities

430	Loans and notes payable.
431	Audited accounts and wages payable.
432	Miscellaneous accounts payable.
433	Matured interest, dividends, and rents unpaid.
434	Matured funded debt unpaid.
435	Accrued interest, dividends, and rents payable.
435-1	Taxes accrued.
436	Other current liabilities.
	Total.

Deferred Liabilities

437	Liability for provident funds.
438	Other deferred liabilities.
<i>Unadjusted Credits</i>	
440 Premium on funded debt.	
441	Insurance reserves.
441-1	Operating reserves.
442	Reserve for equalization of maintenance.
442-1	Maintenance reserves.
444	Reserve for amortization of franchise.
446	Other unadjusted credits.
	Total.

Surplus

448	Unearned surplus.
	(a) Paid-in surplus.
	(b) Other unearned surplus.
449	Earned surplus—Appropriated.
450	Earned surplus—Unappropriated.
451	Unsegreted surplus.
	Surplus balance.
	Total.

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

§ 14.401 Road and equipment. This account shall include the original cost of property acquired subsequent to the effective date of this order and the book cost of all other property of the carrier devoted to transportation operations or operations incidental thereto, including auxiliary operations, in use or held for use in transportation operations and in existence at the date of the balance

sheet. The carrier's records shall be kept so as to show the charges and credits to this account classified in accordance with the primary accounts for road and equipment.

Note A: This account shall not include any items representing title to securities.

Note B: The carrier's investment in non-carrier property shall be included in account 404, "Miscellaneous physical property."

Note C: Held for use, referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

§ 14.401-1 Acquisition adjustment. This account shall include the difference between (a) the cost to the accounting company of road and equipment property acquired by purchase after the effective date of this order and (b) the amount distributed to the primary road and equipment accounts. (See § 14.06-12 *Operating property purchased*.)

This account shall also include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, plus its debts and other liabilities with respect to property acquired in reorganizations under the circumstances set forth in § 14.05-5 *Reorganizations*.

Any balance remaining in this account after making the entries provided for in the above paragraphs shall be subject to any adjustment the Interstate Commerce Commission may direct.

§ 14.401-2 Donations and grants. This account shall be credited with grants obtained from governmental agencies, and with donations from individuals and others in connection with the construction or acquisition of property, the cost of which is chargeable to account 401, "Road and equipment." When donated property is retired from service, the amount at which it was recorded in this account shall be transferred to account 448-2, "Other unearned surplus."

§ 14.401-3 Reserve for depreciation; road and equipment. This account shall be credited with amounts concurrently charged to operating expenses to cover the loss in service value of depreciable road and equipment property.

At the time of retirement of depreciable road and equipment property, this account shall be charged with the entire service value of the property retired.

For balance sheet purposes, this account shall be treated as a single composite reserve applicable to all depreciable property. However, for the purpose of analysis, the carrier shall maintain detailed records in which this reserve is broken down into components corresponding to the primary accounts for depreciable road and equipment property and all entries shall show debits and credits by primary accounts.

Note: If, due to excessive or inadequate accruals of charges for depreciation, the balance in this account requires adjusting, the carrier shall apply to the Commission for authority to make an adjustment and if authorized the amount of such adjustment shall be included in account 317, "Miscellaneous debits," or account 306, "Miscellaneous credits," as may be appropriate.

RULES AND REGULATIONS

§ 14.401-4 Reserve for retirements; nondepreciable property. This account shall be credited with amounts concurrently charged to operating expenses with the approval of the Commission to cover the anticipated retirement of nondepreciable property. When nondepreciable property is retired from service the net service value shall be charged to this account.

§ 14.402 Sinking funds. This account shall include the amount of cash, the ledger value of live securities of other companies and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations; also amounts deposited with such trustees on account of mortgaged property sold, the proceeds of which are to be held for the redemption of securities, and the par value of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

§ 14.403 Deposits in lieu of mortgaged property sold. This account shall include amounts realized from the sale of mortgaged property which are held by trustees until such property is replaced.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

§ 14.403-1 Maintenance funds. This account shall be charged with the amounts of cash on special deposit and the cost of United States Treasury Securities that have been set aside to be held by the accounting company's treasurer until disbursed in settlement of charges incurred for maintenance deferred on account of priorities of material and supplies or shortage of labor, also charges incurred for major repairs to equipment that are usually made at intervals of several years.

It shall be credited with withdrawals therefrom as disbursements are made for the purposes for which the funds were set aside.

§ 14.404 Miscellaneous physical property. This account shall include the accounting company's investments in physical property other than investments properly classable in account 401, "Road and equipment." It shall include such items as investments in manufacturing, gas, and water plants, mineral and timber lands, buildings not used in transportation or auxiliary operations but held for rent, rails and other materials leased to others, and other property not a part of the accounting company's plant for the maintenance and operation of its

transportation and auxiliary operations property.

NOTE: The income derived from or the loss sustained in connection with the maintenance and operation of miscellaneous physical property shall be included in income account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

§ 14.404-1 Reserve for depreciation; miscellaneous physical property. This account shall be credited with amounts charged to income or other accounts to cover the depreciation of depreciable property recorded in account 404, "Miscellaneous physical property."

When such property is destroyed, sold, or otherwise retired, the net value (ledger value less value of salvage and insurance recovered) shall be charged to this account.

§ 14.405 Investments in affiliated companies. This account shall include the ledger value of the accounting company's investment advances to affiliated companies, also of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds.

This account shall be subdivided as follows:

- (a) Stocks.
- (b) Bonds.

(c) Notes, including herein not only notes that run longer than one year, but also notes payable on demand or within one year from the date of issue when it is intended by the accounting company that the notes shall not be enforced as current assets; also all notes held as investments.

- (d) Advances.

The accounting company's records shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans and the ledger value of securities unpledged shall be shown separately in the annual report to the Commission.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By control is meant the ability to determine the action of a corporation.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account 402, "Sinking funds," 408, "Special deposits," or 414, "Insurance and other funds," as may be appropriate.

§ 14.406 Other investments. This account shall include the ledger value of the accounting company's investment advances to nonaffiliated companies and to individuals, and of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds; also miscellaneous investments not provided for elsewhere.

This account shall be subdivided as follows:

- (a) Stocks.
- (b) Bonds.
- (c) Notes, including herein not only notes that run longer than one year, but also notes payable on demand or within one year from date of issue when it is intended by the accounting company that the notes shall not be enforced as current assets, and all notes held as investments.
- (d) Advances.
- (e) Miscellaneous.

The accounting company's records shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans and the ledger value of securities unpledged shall be shown separately in the annual report to the Commission.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term nonaffiliated companies includes all companies other than those defined as affiliated in Note B of account 405.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account 402, "Sinking funds," 408, "Special deposits," or 414, "Insurance and other funds," as may be appropriate.

§ 14.406-1 Reserve for adjustment of investment in securities. This account shall include the net credit balance set aside as a reserve for the purpose of providing for reductions in the value of investments recorded in accounts 405, "Investments in affiliated companies," and 406, "Other investments."

When such investments are written down, written off, sold, or otherwise disposed of at a loss, the losses sustained shall be charged to this account to the extent of the total credit balance in the account and the remainder, if any, shall be charged to account 317, "Miscellaneous debits."

§ 14.407 Cash. This account shall include current funds in the hands of financial officers and financial agents, cash in transit for which agents and conductors receive current credit, and

deposits in banks or with trust companies available for use on demand.

Note: This account shall not include funds deposited for the purpose of paying declared dividends or bond interest coupons; all such amounts shall be shown in account 408, "Special deposits."

§ 14.408 Special deposits. This account shall include amounts realized from the sale of securities and held by trustees for disbursement when the purposes for which the securities are sold are accomplished; deposits to pay declared dividends or matured interest coupons; special deposits (other than in sinking funds) for the payment of debts; money and securities deposited to insure the performance of contracts; and other deposits of a special nature not provided for elsewhere.

Note: In stating this account on the balance sheet in the annual reports to the Commission, the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

§ 14.409 Loans and notes receivable. This account shall include the book value of all collectible obligations in the form of loans and notes receivable or other similar evidences of money receivable on demand or within one year from date of issue.

Note: This account does not include time loans which mature more than one year after the date of issue or demand or short-term notes considered as investments, which shall be included in accounts 405, "Investments in affiliated companies," or 406, "Other investments."

§ 14.410 Miscellaneous accounts receivable. This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit. When the net of such balances is a credit, it shall be included in account 432, "Miscellaneous accounts payable." This account shall also include audited accounts considered good, such as those due from the United States or other governments for the transportation of mails and government property; miscellaneous bills against other railway companies; bills against corporations, firms, and individuals; net balances due from agents, conductors, and other employees and representatives responsible for the collection or custody of current revenue; and similar items.

Note A: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may, with respect to accounts representing interline freight, passenger, and baggage revenues, and equipment interchanged, maintain currently separate subaccounts under the following captions:

410 and 432 (a) Interline freight, balance.

410 and 432 (b) Interline passenger, balance.

410 and 432 (c) Interline baggage, balance.

410 and 432 (d) Equipment interchanged, balance.

Note B: Amounts advanced to general and special agents as working funds shall be included in account 415, "Other deferred assets." Investment advances to affiliated companies shall be included in account 405, "Investments in affiliated companies."

§ 14.411 Material and supplies. This account shall include the balances representing the cost, less depreciation, if any, of all material and supplies not charged out in the accounting company's accounts, such as road and shop material, articles in process of manufacture, fuel, stationery, and other supplies. Freight and express charges paid others on material and supplies shall be included in the value of same but expenses of transportation over carrier's line shall not be included.

The scrap value (estimated if not known) of articles retired from service shall be included in this account.

Note: Discounts on bills for materials and supplies purchased shall be credited to the accounts to which the original invoices were charged.

§ 14.412 Interest, dividends, and rents receivable. This account shall include the amount of interest accrued to the date of the balance sheet on funded and unfunded securities owned, loans, open accounts, mortgages, and deposits; dividends declared on stock owned and dividends accrued on stocks when contracts require that the dividends be paid at stated times; and rents accrued under leases.

Note A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

Note B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

§ 14.413 Other current assets. This account shall include items of current assets not covered by accounts 407 to 412, inclusive. It shall include asset items that have not reached the stage of audited accounts and become classable in account 410, "Miscellaneous accounts receivable," and yet have advanced beyond the stage of accounts properly classable in account 415, "Other deferred assets," such as amounts advanced to agents and others as working funds from which certain expenditures are to be made and accounted for, and similar items.

§ 14.414 Insurance and other funds. This account shall include the amount of cash and the cost or ledger value of securities of other companies and other assets in depreciation, insurance, employees' pension, savings, relief, hospital and other funds which have been raised and specifically set aside or invested for where; also the par value of securities specific purposes not provided for else-issued or assumed by the accounting company and held in such funds. A separate account shall be provided for each fund.

Note A: Special deposits and sinking funds for the retirement of obligations are provided for in accounts 408 and 402, respectively.

Note B: In stating this account on the balance sheet in the annual reports to the Commission, the total amount of the funds and the par value of the securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued and assumed) shall be shown in the long column.

§ 14.415 Other deferred assets. This account shall include items of deferred assets not properly includable in account 414, "Insurance and other funds."

§ 14.416 Rents and insurance premiums paid in advance. This account shall include the balances in the accounts representing rents and insurance premiums paid in advance, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

§ 14.418 Discount on funded debt. This account shall include the total of the debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See § 14.05-3 *Discount, expense, and premium on funded debt.*)

When an issue of funded debt, or any part thereof, is canceled and at the date of cancellation there is a balance of unamortized discount and expense relating thereto, the amount of such balance, together with any premium paid in retiring the debt, shall be charged to account 317, "Miscellaneous debits," unless authorized by the Commission to dispose of it otherwise.

§ 14.419 Retirements. This account is intended as a suspense account in which to include amounts chargeable to operating expenses, for property retired from service, the service value of which is relatively so large that its inclusion in operating expenses of the current year will seriously distort those expenses.

This account is to be used only when authorized by the Commission. The carrier, in its application, shall give full particulars concerning the property retired, the amount chargeable to operating expenses, and the period over which it desires to distribute such charge.

§ 14.420 Other unadjusted debits. This account shall include the amount of debit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts; items credited to Operating Revenues or Operating Expenses on an estimated basis in accordance with § 14.01-5 *Uncertified items affecting operating accounts;* unextinguished discount on short-term notes; unadjusted debit items not provided for in accounts 418 and 419; and other similar items.

§ 14.421 Securities issued or assumed; unpledged. This account shall include the par value, or for no-par stock the amount recorded in account 423, "Capital stock," of securities issued or assumed by the accounting company that are held unpledged in the treasury or by its agents or trustees, except those held by trustees of sinking or other similar funds. This account shall be divided

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into (a) stocks and (b) bonds and other evidences of indebtedness, each of which divisions shall be further subdivided between (1) amounts nominally but not actually issued and (2) amounts nominally outstanding.

NOTE A: The term securities, as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 423 and 427.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE D: In the general balance sheet statement the balance in this account shall be stated in the short column only.

NOTE E: When securities issued to bona fide holders for value or after issue by another company have been assumed by the accounting company, are reacquired and not canceled, they shall be included in this account at their par value, or if no-par stock, at the amount at which recorded in account 423, "Capital stock." If such securities are subsequently pledged, they shall be included in account 422, "Securities issued or assumed—Pledged."

§ 14.422 Securities issued or assumed; pledged. This account shall include the par value, or for no-par stock the amount recorded in account 423, "Capital stock," of securities issued or assumed by the accounting company that have been pledged as collateral security for long-term debt or short-term loans. This account shall be divided into (a) stocks and (b) bonds and other evidences of indebtedness, each of which divisions shall be further subdivided between (1) amounts nominally but not actually issued and (2) amounts nominally outstanding.

NOTE A: The term securities as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 423 and 427.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C: This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

NOTE D: In the general balance sheet statement the balance in this account shall be stated in the short column only.

NOTE E: The par value, or for no-par stock the amount at which recorded in account 423, "Capital stock," of securities issued or assumed and pledged for purposes other than as security for debt, shall be included as appropriate in accounts 402, "Sinking funds," 408 "Special deposits," or 414, "Insurance and other funds."

CREDIT

§ 14.423 Capital stock. This account shall include the total par value of par value stock, and the amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock, or other form of proprietary interest in the accounting

company which have been issued to bona fide purchasers and have not been reacquired; also shares of stock nominally issued or nominally outstanding. Appropriations of surplus which have been authorized shall be transferred to this account when the stock is issued. The amount received from the sale of par value stock, in excess of the amount credited to this account, shall be credited to account 425, "Premium on capital stock."

When capital stock is canceled, this account shall be charged with the amount at which such stock is recorded herein. In the case of no-par stock, the amount charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the class and series of stock of which the reacquired shares are a part.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, as follows:

(a) **Common Stock.** Stocks which have no preference in the distribution of dividends.

(b) **Preferred Stock.** Stocks having preference in the distribution of dividends.

(c) **Debenture Stock.** Stocks issued under a contract to pay a specified return at specified intervals.

(d) **Receipts for Installment Payments on Account of Subscription to Capital Stock.** When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of shares of par value stock, or the agreed purchase price, or price authorized by the Commission of stock without par value, shall be included in the division appropriate for the class for which certificates are issued.

(e) Each of the above classes shall also be divided into subclasses according to differences in dividends or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum for the use of the company in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to the discount and premium account for the class of stock on which the assessment is made.

NOTE B: For the purposes of the balance sheet statement, capital stock is considered nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or pledged or otherwise placed in some special fund of the accounting company. It is considered to be actually issued when it has been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired by or for the accounting company is considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require it to be considered as held alive and not canceled or retired, it is considered to be nominally outstanding.

NOTE C: In the general balance sheet statement the total capital stock shall be shown in the first short column. The amount nominally but not actually issued and the

amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

NOTE D: When par value capital stock is exchanged for capital stock without par value, any sums resting in discount, expense, and premium accounts with respect thereto shall be cleared to account 448-1, "Paid-in surplus"; *Provided*, That any debit in excess of the credit balance carried in that account shall be included in account 317, "Miscellaneous debits."

§ 14.423-1 Discount on capital stock. This account shall include the total of the net debit balances in the discount and premium accounts for the several classes of capital stock. (See § 14.05-2 *Discount and premium on capital stock.*)

§ 14.424 Stock liability for conversion. This account shall include the accounting company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

§ 14.425 Premium on capital stock. This account shall include the excess of the actual cash value (at the time of sale of the stock) of the consideration received over the amount recorded in account 423, "Capital stock," for par value stock plus accrued dividends, if any; also subsequent assessments against stockholders for payments required in excess of the par value or other amount recorded in account 423, "Capital stock." When capital stock is reacquired, the amount in this account with respect to the reacquired shares shall be charged hereto.

§ 14.427 Funded debt unmatured. This account shall include the total par value of unmatured funded debt maturing more than one year from date of issue, issued by the accounting company and not retired or canceled; and the total par value of unmatured funded debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account shall be divided so as to show (1) the par value of certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control; and (2) the par value of certificates or other evidences of funded debt, pledged and unpledged, held in the company's treasury, held by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(a) **Mortgage bonds.** Bonds secured by a lien on physical property and not includable in the other subdivisions of this account.

(b) **Collateral trust bonds.** Bonds and notes having a date of maturity of more than one year after date of issue, secured by a lien on securities or other commercial paper; also stock trust certificates

that are similar in character to collateral trust bonds.

(c) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(d) *Equipment obligations.* Equipment bonds, equipment notes, or cartrust notes secured by lien on specific equipment.

(e) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, including notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed, and other similar obligations maturing more than one year after date of issue.

(f) *Receipts outstanding for funded debt.* Receipts for payment on account of funded debt securities. When the securities are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the securities are issued.

No two issues of funded debt shall be considered as of the same class unless agreeing in (1) mortgage or other lien or security therefor, (2) rate of interest, (3) interest dates, and (4) date of maturity, except that parts of any funded debt issue agreeing in other characteristics, but maturing serially, may be treated as of the same class.

NOTE A: Securities maturing one year or less from date of issue shall be included in account 430, "Loans and notes payable." Matured funded debt shall be included in account 434, "Matured funded debt unpaid."

NOTE B: For the purposes of the balance sheet statement, funded debt securities are considered to be nominally issued when certified by trustees and placed with the proper officer for sale and delivery or pledged or otherwise placed in some special fund of the accounting company. They are considered to be actually issued when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All the funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be nominally outstanding.

NOTE C: In the general balance sheet statement the total funded debt unmatured shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

§ 14.428 Receivers' and trustees' securities. When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court, issue or assume evidences of indebtedness, the par value of such evidences shall be included in this account.

§ 14.429 Nonnegotiable debt to affiliated companies. This account shall include the par value of nonnegotiable notes issued to affiliated companies, credit balances in open accounts with such companies other than credit bal-

ances in current accounts classable as current liabilities, and interest accrued on notes and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be subdivided as follows:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Open accounts not subject to current settlement.

(c) Interest accrued on amounts included in this account, when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By control is meant the ability to determine the action of a corporation.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

§ 14.430 Loans and notes payable. This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences of indebtedness payable on demand or within a time not exceeding one year from the date of issue.

NOTE: Secured notes and time loans payable more than one year from date of issue shall be included in account 427, "Funded debt unmatured."

§ 14.431 Audited accounts and wages payable. This account shall include the amount of audited vouchers or accounts and audited pay rolls unpaid on the date of the balance sheet; also balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

§ 14.432 Miscellaneous accounts payable. This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit. When the

net of such balances is a debit it shall be included in account 410, "Miscellaneous accounts receivable." This account shall also include unpaid and outstanding drafts drawn by station agents, taxes collected from employees and others for the account of taxing agents, and other items of the nature of demand liabilities not covered by accounts 430, 431, 433, and 434.

NOTE: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may, with respect to accounts representing interline freight, passenger, and baggage revenues, and equipment interchanged, maintain currently separate subaccounts under the following captions:

410 and 432 (a) Interline freight, balance.

410 and 432 (b) Interline passenger, balance.

410 and 432 (c) Interline baggage, balance.

410 and 432 (d) Equipment interchanged, balance.

§ 14.433 Matured interest, dividends, and rents unpaid. This account shall include the amount of matured and unpaid interest on loans and funded debt of the accounting company, on debt of other companies assumed by the accounting company, and on receiver's certificates; the amount of dividends payable on capital stock, but unpaid, uncalled for, or unclaimed at the date of the balance sheet; unpaid dividends on the stock and unpaid interest on the funded debt of other companies when such are payable by the accounting company as all or a portion of the rent due under terms of leases or otherwise; and all other rents due and payable for property held under leases.

Items above indicated which mature on the first day following that for which the balance sheet is made shall be included in this account.

§ 14.434 Matured funded debt unpaid. This account shall include the amount of funded debt matured and unpaid without specific agreement for extension as to time of payment, including unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

§ 14.435 Accrued interest, dividends, and rents payable. This account shall include the amount of interest on loans, funded debt, and receiver's certificates issued or assumed, dividends declared on capital stock, and rents under leases, accrued to the date for which the balance sheet is made but not payable until after the first day following that date. There shall be included also as rents accrued the amount of accrued dividends on the stock and accrued interest on the funded debt of other companies when such dividends and interest are payable by the accounting company as all or a portion of the rent under leases from those companies.

§ 14.435-1 Taxes accrued. This account shall be credited with the accruals of all taxes which have been concurrently charged to appropriate income or other accounts for taxes. Such accruals may be based on estimates, provided such estimates shall be adjusted so as to re-

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flect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

Vouchers for current payment of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall also be charged to this account. The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

§ 14.436 Other current liabilities. This account shall include items of current liabilities not covered by accounts 430 to 435-1, inclusive.

§ 14.437 Liability for provident funds. This account shall include the ledger balances representing the liability of the accounting carrier for the amount of assets (whether contributed by the carrier, by the employees, or by others) in the possession of the carrier or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

§ 14.438 Other deferred liabilities. This account shall include items of deferred liabilities not covered by account 437, such as retained percentages due contractors, to be paid on completion of contracts; amounts deposited with the accounting company to cover the cost of employees' outfits; deposits made by customers and others under contract when such deposits are returnable; and other similar items.

§ 14.440 Premium on funded debt. This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See § 14.05-3 *Discount, expense, and premium on funded debt.*)

When an issue of funded debt or any part thereof is canceled and at the date of cancellation there is a balance of unamortized premium relating thereto, the amount of such balance shall be credited to account 306, "Miscellaneous credits," unless authorized by the Commission to dispose of it otherwise.

§ 14.441 Insurance reserves. This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance and to which are charged losses sustained on items protected by such insurance.

§ 14.441-1 Operating reserves. This account shall include the balance representing reserves created by charges to operating expenses to provide for the liability for unsettled personal injury, loss and damage, and other claims; and for similar purposes. When the liability is admitted this account shall be charged and the appropriate account credited.

§ 14.442 Reserve for equalization of maintenance. This account shall include ledger balances representing reserves created by charges to operating expenses

for the equalization of maintenance expenses in accordance with § 14.01-15 *Equalization of maintenance expenses.* The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

§ 14.442-1 Maintenance reserves. This account shall be credited with amounts systematically reserved by charges to accounts 28-1, "Deferred maintenance—Way and structures," 44-1, "Deferred maintenance—Equipment," 51-1, "Deferred maintenance—Power," and 44-2, "Major repairs—Equipment," for deferred maintenance and major repairs to equipment in accordance with § 14.01-16 *Deferred maintenance and major repairs to equipment.*

When the maintenance work for which provision was made has been performed, the cost of such repairs shall be charged, according to the nature of the repairs, to the appropriate primary maintenance accounts. Concurrently this account shall be cleared to the extent that provision has been made herein for such repairs through the accounts originally charged therewith.

NOTE: To the extent that provision is made in this account for deferred maintenance and major repairs to equipment an amount of cash equal thereto shall be deposited in a special account or invested in United States Treasury securities and included in account 403-1, "Maintenance funds."

§ 14.444 Reserve for amortization of franchises. To this account shall be credited amounts charged to Operating Expenses or Income in order to provide for the amortization or extinguishment of limited franchises.

NOTE: See Note B of account 545, "Franchises."

§ 14.446 Other unadjusted credits. This account shall include the amount of credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, such as amounts realized from the sale of damaged, unclaimed, and over freight and held pending claim; switching charges of other carriers collected and held awaiting bills from such carriers; amounts received from the sale of mileage tickets, to be disposed of as mileage is honored by the accounting or other carriers; amounts received from sales of excess baggage scrip, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds; credit balances in clearing accounts; items charged to operating revenues or operating expenses on an estimated basis in accordance with § 14.01-5 *Unaudited items affecting operating accounts;* estimated accrued depreciation on leased equipment; and other similar items.

§ 14.448 Unearned surplus. This account shall include all surplus arising from sources other than those provided under earned surplus. Subaccounts shall be maintained as follows:

§ 14.448-1 Paid-in surplus. This subaccount shall include items such as amounts of consent dividends; surplus from donations by stockholders; reduc-

tion of par or recorded value of capital stock; forfeitures of subscriptions; gains from the acquisition, retirement, or resale of shares of capital stock; and long-term debt forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividend or with the approval of the Commission; losses from retirement or resale of shares to an amount not in excess of credits herein applicable thereto; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

§ 14.448-2 Other unearned surplus. This subaccount shall include unearned surplus arising from sources other than those enumerated under subaccount 448-1.

§ 14.449 Earned surplus; appropriated. This account shall include the total of the net balances of appropriated income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees; also appropriations held in general funds for which no specific investment or segregation of funds has been made. It shall also include accretions to the assets held in such funds.

A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

§ 14.450 Earned surplus; unappropriated. This account shall include the net balance (debit or credit) of amounts included in accounts 301 to 317, inclusive. It shall not include transfers either to or from account 448, "Unearned surplus," except when authorized by the Commission.

§ 14.451 Unsegregated surplus. This account shall include the amount at the date this order becomes effective that was carried in former account 451, "Profit and loss—Balance," that has not at the date of the balance sheet been segregated and transferred as appropriate to account 448, "Unearned surplus," or account 450, "Earned surplus—Unappropriated."

ROAD AND EQUIPMENT

§ 14.06 General instructions.

§ 14.06-1 Application of road and equipment accounts. The road and equipment accounts prescribed in §§ 14.500 to 14.551 contain the rules in accordance with which shall be classified the investment of electric railway companies in property used by them in transportation operations, in operations incident thereto, or in auxiliary operations.

These accounts shall include all expenditures for original road and equipment and for additions and betterments thereto, regardless of the way in which the funds for the construction or acquisition have been provided. Such expenditures shall not be charged to Operating Expenses, Income, Profit and Loss, or to special funds in such manner as to exclude from the property accounts any

expenditure for road and equipment or for additions and betterments thereto.

These accounts shall also include the necessary credits to represent the original cost of property or equipment abandoned, destroyed, sold, or otherwise retired from service. Wherever the term original cost is referred to and such cost cannot be ascertained, an estimate of the original cost shall be used.

When the property change involves the acquisition or betterment of road and equipment property (other than land or tracks), the cost of which is less than \$500.00, or the retirement of such property, the ledger value of which is less than \$500.00, the cost of the property acquired shall be charged and the value of salvage from the property retired credited to operating expenses and no adjustment shall be made of the road and equipment accounts.

The carrier shall not parcel expenditures for acquisitions when made under a general plan for the purpose of bringing the accounting within this rule; neither shall it combine unrelated items for the purpose of excluding the accounting from this rule.

The carrier is permitted to adopt as a limit a less amount, provided it files with the Commission the amount it proposes to use and makes no subsequent change in the amount, except by authority of the Commission.

§ 14.06-3 Basis of charges. The charges to the road and equipment accounts of expenditures for the acquisition of property and for improvements shall be based upon the actual cost of the property and the improvements, except as otherwise provided in accounts 401-1 and 401-2. When the consideration given for the purchase of property or for the improvement of property is anything other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts and the actual consideration shall be described in the record with sufficient particularity to identify it.

The charges for material and supplies shall be recorded at their net cost, including charges paid foreign lines. Such costs shall not include the expenses of transportation over the carrier's line. The cost of tools purchased for exclusive use in connection with construction work shall be included in the accounts to which the cost of the work is charged.

§ 14.06-4 Property retired. When property other than land or equipment is retired from service, the appropriate road and equipment accounts shall be credited with the amount (estimated if not of record) at which such property stands charged therein at the time of retirement. The amount of this credit shall be charged concurrently as follows:

(a) *For depreciable property.* The service value (ledger value less value of salvage) shall be charged and insurance recovered, if any, credited to account 401-3, "Reserve for depreciation—Road and equipment." The charge for salvage shall be in accordance with the disposition of the material recovered. The cost of dismantling the retired property, if borne by the carrier, shall be charged to

the appropriate account provided for dismantling property.

NOTE: When nondepreciable property, included in a depreciable account, is retired, the service value shall be accounted for as provided for nondepreciable property retired.

(b) *For nondepreciable property.* If the property retired is replaced, the service value (ledger value less value of salvage) shall be charged to the accounts in operating expenses appropriate for repairs to such property. If the property retired is not replaced, the service value shall be charged to account 28-2, "Retirements—Way and structures," and the salvage recovered and the cost of dismantling the property shall be accounted for in the manner provided for depreciation.

§ 14.06-6 Adjustments for converted property. When a building, structure, or other unit of property is converted so as to require the transfer of its book cost from one account to another, it shall be accounted for as retired.

The accounting for such retirement shall be on a basis consistent with the accounting which would be proper if the carrier made no further use of the property. The salvage value to be used in determining the service value shall be its ledger value less an allowance to reflect consumed, expired, or lost usefulness, but in no case less than the estimated value of the scrap and reusable parts which could be recovered if the unit was dismantled.

The charge to be made for the property after conversion shall be the estimated value of the salvage used in accounting for the retirement, less any salvage recovered and not retained or used in the unit as converted, plus all expenditures for labor and material necessary to construct the rebuilt unit for future use, but not to exceed the cost (at current prices of labor and material) of a new unit of equal capacity and life expectancy, less a suitable allowance for second-hand parts retained therein.

§ 14.06-7 Land sold or reclassified. If any land the cost of which has been included in these accounts is sold, the appropriate account shall be credited with the amount at which such property stands charged therein at the time of the disposal, and the difference between the amount thus credited and the amount received from the sale or disposal of the property shall be included in Profit and Loss.

When the use of land in transportation service or in operations incident thereto is discontinued and the land is retained in possession by the carrier, the appropriate account shall be credited with the amount at which such land stands charged therein and concurrently this amount shall be charged to balance sheet account 404, "Miscellaneous physical property."

§ 14.06-8 Equipment retired. The instructions for accounting for equipment retired are contained under the general account Equipment.

§ 14.06-9 Equipment costs paid in installments. When any equipment is acquired under a so-called trust agreement

or any agreement which provides that the cost shall be paid in installments, the cost (its cash value at time of purchase) shall be charged to the appropriate accounts at the time of its acquisition in the same manner as the cost of equipment purchased outright. The discount or premium, if any, on securities issued in payment or in part payment for such equipment shall be debited or credited to the proper discount or premium accounts in accordance with § 14.05-3 *Discount, expenses, and premium on funded debt.*

§ 14.06-10 Salvage from equipment, tools, etc. When the cost of any work equipment, machinery, tools, or material and supplies obtained for use in construction work has been charged to road and equipment accounts and the entire value thereof has not been consumed in the work, the residual value of such work equipment, machinery, tools, or material and supplies shall be credited upon the completion of the work to the accounts to which originally charged, and concurrently charged to the material and supply account or other appropriate account. When such equipment, machinery, etc., is held awaiting disposition without being dismantled or torn down, the estimated residual value thereof shall be included in account 415, "Other deferred assets," until the unit is reused, dismantled, or sold.

§ 14.06-11 Incidental services of employees. No charge shall be made against road and equipment accounts for the salaries of officers and employees who perform incidental services in connection with construction or addition and betterment work, although traveling and incidental expenses incurred by officers and employees on account of such work may be included in the account to which the cost of the work is chargeable. When officers or employees give all or a substantial proportion of their time to construction or to addition or betterment work, the whole or an equitable proportion of their salaries and their traveling and incidental expenses in connection with such work shall be included in the cost of the work.

§ 14.06-12 Operating property purchased. When property to be used in transportation service is purchased, such property shall be charged to account 401, "Road and equipment," at the price paid therefor, except that where the price paid exceeds \$25,000.00 but is less than the original cost, the carrier may record the original cost as set up in the accounts of the vendor, and charge such amount to account 401 and credit the excess of original cost over the price paid to account 401-3, "Reserve for depreciation—Road and equipment," if depreciable property, or to account 401-4, "Reserve for retirements—Nondepreciable property."

If the price paid exceeds \$25,000.00 but is less than the original cost, and the carrier elects to classify the property on the basis of the price paid, it shall, after completing the necessary studies, distribute the price paid to the primary road and equipment accounts on an equitable basis supported by such studies.

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If the price paid exceeds \$25,000.00 and also exceeds the original cost, the charges to account 401 and the primary road and equipment accounts shall in no case exceed the original cost to the vendor. In such cases the difference between the sum of the amounts included in the primary road and equipment accounts and the price paid the vendor shall be included in account 401-1, "Acquisition adjustment."

If the price paid the vendor does not exceed \$25,000.00, the property acquired shall be charged to account 401 and the appropriate primary road and equipment accounts at the price paid for the property.

NOTE: Journal entries recording the purchase of road and equipment property at a cost in excess of \$25,000.00 shall be presented to the Commission for approval.

§ 14.06-13 Reclassification. The balances carried in the primary accounts that are canceled by this order shall be transferred and distributed to the appropriate primary accounts as herein provided.

ROAD AND EQUIPMENT ACCOUNTS

§ 14.500 General accounts. The general road and equipment accounts represent groupings of related primary accounts.

§ 14.500-1 Way and structures. The general account for investment in way and structures embrace the following primary accounts:

§ 14.501 Engineering. This account shall include expenditures for services and expenses of engineers, draftsmen, and superintendents employed on preliminary and construction work, or in making additions or betterments to the accounting carrier's road; also expenses incident to engineering and superintendence not assignable to other accounts.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Planimeters.
Axes.	Plumbets.
Barometers.	Protractors.
Books for office use.	Ranging poles.
Boxes.	Reading glasses.
Cameras.	Repairs, rented
Camp equipage.	offices.
Chains for surveyors.	Rods.
Compasses.	Scales.
Curves.	Section liners.
Drawing boards.	Sextants.
Drawing instruments.	Slide rules.
Field glasses.	Stakes.
Field notebooks.	Straight edges.
Furniture repairs and renewals.	Tally registers.
Hatchets.	Tape lines.
Heating and lighting.	Tee squares.
Levels.	Telegraph service.
Magnets.	Telephone service.
Magnifiers.	Telescopes.
Marking chalk.	Thermometers.
Official train service.	Thumb tacks.
Oil stoves.	Tracing linen.
Paper, blueprint.	Transits.
Parallel rulers.	Traveling expenses.
Photographic supplies.	Traverse tables.
Plane tables.	Triangles.
	Tripods.
	Verniers.
	Water and ice.

NOTE A: When employees designated above are engaged in work not chargeable to construction, their pay and expenses shall be

charged to the specific work on which engaged. When any of the expenses above designated can be charged directly to the account for which incurred, they shall be so charged.

NOTE B: Expenditures for tentative or preliminary surveys and tests shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, such expenditures shall then be transferred to this account, and if abandoned, to operating expense, income, or profit and loss accounts, as may be appropriate.

§ 14.502 Right of way. This account shall include the cost of land acquired for roadway; expenses of appraisals, or juries, commissioners, or arbitrators in condemnation cases; cost of removal of buildings (if upon right of way, and not included in property purchased); commissions paid outside parties for purchase of properties for these purposes; cost of plats, abstracts, notarial fees, recording deeds, etc.; payment for abutting damages and legal services in suits connected therewith; assessments levied by public authorities or amounts payable for the construction or the improvement of roads, streets, sidewalks, curbs, gutters, sewers, ditches, etc., (except paving). To this account shall also be charged the cost of moving other companies' poles for proper clearance.

To this account shall be credited proceeds from the sale of timber or other property purchased with right of way.

The estimated value of property not required in connection with the operation of the road after completion thereof, but acquired and charged to this account in connection with land needed for right of way, shall, upon completion of the road, be credited to this account and charged to account 503, "Other land used in electric railway operations," or to account 404, "Miscellaneous physical property," as may be appropriate. If such property is sold upon or prior to the completion of the road, the proceeds of sale thereof shall be credited to this account.

§ 14.503 Other land used in electric railway operations. This account shall include the cost of land acquired for use directly in connection with the operation of the road, but not acquired for roadway, including all expenses incurred in connection with such acquisition.

§ 14.504 Grading. This account shall include the cost of clearing and grading roadway, whether by excavations or embankments; ditching roadway and making ditches for waterways; also cost of retaining walls and other masonry or riprap for the protection of embankments, cuts, and slopes.

This account shall include such items as the cost of steam shovels and tools used in grading, less credit for inventory or selling value upon completion of grading.

When a bridge or trestle or portion thereof is filled, the cost of filling and the estimated cost of a temporary trestle, provided it would otherwise have been required for the purpose, shall be charged to this account.

ITEMS OF ROADBED AND EXPENSE

Advertising for bids.	Grubbing.
Berm ditches.	Material from borrow pits.
Blasting.	Operating steam shovels.
Breakwaters.	Privilege wasting surplus material.
Bulkheading.	Payments for waste banks.
Clearing land.	Retaining walls.
Cribbing.	Revetments.
Ditches (not under right of way agreements).	Riprap.
Dressing slopes.	Spoil banks.
Excavations converting tunnels into cuts.	Temporary trestles for fills.
Filling bridges, trestles, and culverts.	Tools for grading.
Grading outlays.	Wing dams.

§ 14.505 Ballast. This account shall include the cost of ballast, whether of broken stone, slag, gravel, concrete, or other material; cost of transportation and handling (except final distribution); also the cost of ballast applied in excess of that required to restore the ballast to its original height and width; and the excess cost of improved ballast used in renewals over the original cost of the ballast removed.

NOTE A: If ballast produced is chargeable partly to construction and partly to maintenance, a clearing account may be opened in order to determine the unit of cost which is to be used in arriving at the amounts chargeable to construction and maintenance.

NOTE B: The cost of labor expended in spreading and putting ballast under track not previously ballasted shall be charged to account 510, "Track and roadway labor."

§ 14.506 Ties. This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks, and the cost of additional ties subsequently laid in such tracks; cost of transportation and handling (except final distribution); the pay and expenses of employees engaged in obtaining, purchasing, treating, framing, and inspecting ties for construction purposes; also the excess cost of improved ties over the original cost of ties removed and replaced.

NOTE: The cost of labor for unloading, distributing, and placing ties in tracks shall be charged to account 510, "Track and roadway labor."

§ 14.507 Rails, rail fastenings, and joints. This account shall include the cost of rails (including guard rails), rail fastenings, and joints used in construction of tracks; the cost of transportation, inspection, and handling (except final distribution); and the excess cost of heavier or improved type or quality of rails, rail fastenings, and joints over the original cost of rails, rail fastenings, and joints removed and replaced.

NOTE A: Guard rails used in connection with special work shall be charged to account 508, "Special work."

NOTE B: The cost of labor for unloading, distributing, and placing rails, rail fastenings, and joints, in track shall be charged to account 510, "Track and roadway labor."

§ 14.508 Special work. This account shall include the cost of special work, including steam and street railroad crossings, cross-overs, curves, frogs, run-offs, switches, switch mates, and turn-outs; guard rails used in connection with

special work; also the excess cost of heavier or improved type of special work over the original cost of such work removed and replaced. To this account shall also be charged the cost of transportation, inspection, and handling (except final distribution).

The terms cross-overs, curves, and turn-outs cover only those portions of track which are made to order.

NOTE A: This account is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items shall be charged to accounts provided for each expenditures. Plain curves shall be treated as rails.

NOTE B: The cost of labor for unloading, distributing, and placing special work in track shall be charged to account 510, "Track and roadway labor."

§ 14.509 Underground construction. This account is to be used only by railways operated by underground electric contact system, or by those operated by cable traction.

This account shall include the cost of underground construction, including cost of excavating for underground construction, and cost of yokes, concrete work, manhole frames and covers, slot rails, drain pipes, pulleys, sheaves, and other fixtures and appurtenances peculiar to underground electric or cable construction. To this account shall be charged also the cost of transportation, inspection, and handling (except final distribution).

NOTE A: The cost of track rails, track rail fastenings and joints, electric contact rails and insulators, and cables of cable railways, shall not be charged to this account.

NOTE B: The cost of labor unloading, distributing, and placing the materials described above shall be charged to account 510, "Track and roadway labor."

§ 14.510 Track and roadway labor. This account shall include the cost of labor expended in distributing, laying, and adjusting ties, rails, ballast, frogs, switches, special work, and other track material and appurtenances used in the construction of tracks. The cost of laying and surfacing tracks through tunnels and on bridges and trestles shall be included in this account.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, frogs, switches, and other track material for replacements shall be charged to Operating Expenses.

NOTE B: The cost of transporting ballast and unloading at delivery point shall be charged to account 505, "Ballast."

§ 14.511 Paving. This account shall include the cost of labor and material (including macadam) for paving about tracks and special work, and for cross-walks incident to track construction. This account shall also include assessments levied by public authorities or amounts payable under franchise requirements for new or improved paving. The cost of replacing paving taken up on account of construction shall also be charged to this account.

§ 14.512 Roadway machinery. This account shall include both the cost of the initial outfit of roadway machinery and tools provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic and the cost of additional roadway machinery and tools acquired subsequently.

LIST OF ROADWAY MACHINERY AND TOOLS

Adzes.	Levels.
Anvils.	Lubricators, guard rail.
Auges.	Oil stones.
Axes.	Padlocks.
Ballast forks.	Pails.
Bars, claw.	Paint brushes.
Bars, crow.	Picks.
Bars, lining.	Pile drivers.
Bars, pinch.	Post-hole diggers.
Bars, raising.	Plows.
Bars, tamping.	Punches.
Boilers.	Rail benders.
Braces and bits.	Rail tongs.
Brooms.	Rail unloaders.
Brush hooks.	Rakes.
Cable stretchers.	Rope.
Cans.	Rock crushers.
Cant hooks.	Saws.
Cars, hand and push.	Shovels.
Cars, motor.	Sledges.
Cars, crane.	Spades.
Chisels.	Spike mauls.
Concrete mixers.	Spike pullers.
Dippers.	Steam rollers.
Ditching machines.	Squares.
Dredging machines.	Tape lines.
Drills.	Thermometers.
Flags.	Tongs.
Furnaces.	Tool boxes.
Grading outfits.	Track gauges.
Grind stones.	Track levels.
Hammers.	Velocipedes.
Hatchets.	Vises.
Hoes.	Wheelbarrows.
Jacks.	Whetstones.
Kegs.	Woodmallets.
Ladders.	Wrenches.
Lanterns.	

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machinery and tools to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machinery and tools retained after the completion of the work for which they were purchased, is to be credited to the accounts charged with the cost thereof. The appraised value of such machinery and tools shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of hand and other small portable roadway machinery and tools, of which no specific record is kept, shall be charged, when they are acquired, to an appropriate material and supplies account, from which they shall be charged, as issued, to the appropriate road and equipment, operating expense, or other accounts.

NOTE C: The cost of machinery and tools for the equipment of shops shall be included in account 536, "Shop equipment," as provided therein.

§ 14.513 Tunnels and subways. This account shall include the cost of labor and material used in the construction of tunnels and subways, the cost of apparatus for ventilating and lighting, and the cost of safety devices (except guard rails and signals) in tunnels and subways.

NOTE: The cost of undergraduate crossings shall be charged to account 516, "Crossings, fences, and signs."

§ 14.514 Elevated structures and foundations. This account is intended to be used only by companies operating an elevated railway system. It shall include the cost of labor and material used in the construction of elevated structures and foundations.

NOTE A: Ties and rails used on elevated structures shall be charged to accounts 506,

"Ties," and 507, "Rails, rail fastenings, and joints."

NOTE B: The cost of station and other structures built on elevated lines shall not be included in this account, but in the accounts appropriate for such structures.

§ 14.515 Bridges, trestles, and culverts. This account shall include the cost of labor and material used in the construction of bridges and trestles erected to carry tracks over streams, ravines, marshes, streets, or other railways, and culverts, both substructure and superstructure. It shall include cost of abutments, piers, supports, draw and pier protection; wing dams and cribs for regulating the current of a stream; ice breakers for breaking up jams; machinery to operate drawbridges; guards, masonry ends, and wing walls for culverts; pipe culverts for drainage systems; cost of inspection and transportation of material; cost of tests; and cost of labor and material used in painting structures.

DETAILS OF BRIDGE STRUCTURES

Abutments.	Guard timbers.
Bridge signs.	Ice breakers.
Cofferdams.	Painting, first.
Concrete culverts.	Pier protection.
Cribs.	Piers and foundations.
Decking, including gravel for fire protection.	Pipe culverts.
Dike protection.	Retaining walls.
Drainage system.	Riprap.
Draw protection.	Supports.
Drawbridge engines and machinery.	Water channels.
False work.	Waterproofing.
	Wing dams.
	Wing walls.

NOTE A: The cost of structures necessary for carrying the carrier's tracks over other tracks, or over a stream, highway, or canal, shall be included in this account. The cost of structures necessary for carrying other tracks, canals, highways, etc., over the carrier's tracks shall be charged to account 516, "Crossings, fences, and signs."

NOTE B: Ties and rails used on bridges, trestles, and culverts shall be charged to accounts 506, "Ties," and 507, "Rails, rail fastenings, and joints."

NOTE C: When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 504, "Grading."

§ 14.516 Crossings, fences, and signs. This account shall include the cost of labor and material used in constructing street, road, and farm crossings at grade; overhead bridges and viaducts for use of others; roadways of under-grade footways, wagon roads, or cattle crossings; crossing gates, cabins, and towers containing apparatus for operating gates; warning signals; planking at crossings, and drainage for undergraduate crossings; payments and assessments for street repairs during construction period or for sewers at crossings; right of way fences, snow and sand fences, cattle guards, wing fences, aprons, and hedges; and mile, section, warning, and other roadway signs.

NOTE: The cost of structures carrying other tracks, canals, highways, etc., over a carrier's tracks shall be included in this account. A structure carrying the carrier's

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tracks over other tracks, or over a stream, highway, or canal, shall be considered a bridge, trestle, or culvert and its cost shall be included in account 515, "Bridges, trestles, and culverts."

§ 14.517 Signals and interlockers. This account shall include the cost of labor and material used in constructing signals and interlocking apparatus, including towers and other buildings incident thereto.

ITEMS

Air compressors.	Levers.
Air pipe lines.	Power apparatus.
Automatic train control devices (not on equipment).	Power distribution lines.
Batteries.	Rail bonds.
Boilers.	Relays.
Call-bell systems.	Semaphores.
Car retarder systems.	Signal bridges.
Centralized traffic controls.	Signal buildings.
Conduits.	Signal cables.
Crossing signals.	Signal lamps and fittings.
DYNAMOS.	Signal machinery.
Engines, stationary.	Signal poles and fittings.
Impedance bonds.	Special appliances.
Interlocker buildings.	Station signals.
Interlocker mechanism.	Train-order signals.
	Wiring.

§ 14.518 Communication systems. This account shall include the cost of labor and material used in constructing telephone and telegraph lines, including cost of conduits, poles, cables, wires, booths, and instruments; cost of all tools used for construction; and cost of transportation of men and material for this work.

LIST OF TERMINAL EQUIPMENT

Batteries.	Engines, stationary.
Cables and wire, interior.	Fuses and mechanical protectors.
Conduits, interior.	Rectifiers.
Connecting wires.	Rheostats.
Current-controlling instruments.	Sending and receiving instruments.
Electric generators and motors.	Switchboards.
Electric meters.	Testing outfits.
	Transformers.

LIST OF OUTSIDE PLANT

Antenna and supporting structures.	Guy wires.
Aerial attachments.	Insulators.
Braces.	Laboratory equipment.
Brackets.	Mobile auxiliaries.
Cable boxes and fittings.	Poles.
Cables and wire, aerial.	Submarine cables and connections.
Conduits and fittings.	Telephone pole boxes.
Crossarms.	Towers.
Guy stubs.	Underground cables and fittings.

NOTE: The cost of poles and conduits primarily used for other purposes shall be included in the account appropriate, according to their predominant use.

§ 14.521 Distribution system. This account shall include the cost of labor and material used in constructing the distribution system, including overhead and underground feeders for transmitting low-tension power from power stations and substations, with insulators and connections; track bonding, including track bonds and cost of punching and drilling rails for same; overhead trolley lines, including cost of trolley,

guard, span, strain, supplementary, and other wires, and all catenary construction used in connection with the overhead trolley system; cost of third rail, braces and supports for same, insulating devices, materials used for covering and protecting same, and all fixtures and appliances connected with third-rail conductors; cost of underground contact rails, and appliances used in underground contact system, including braces, supports, and insulating devices; also the cost of conduits and poles, crossarms, insulator pins, brackets, other pole fixtures, and of other structures for distribution systems.

DISTRIBUTION SYSTEM ITEMS

Cables.	Switchboards.
Cut-outs.	Third rail.
Feed wires.	Third-rail protection.
Insulators and connections.	Third-rail supports.
Overhead trolley wires.	Trackless trolleys.
Rail-bond plugs.	Transformers.
Rail bonds.	Underground power tubes.
Span wires.	

POLE-LINE AND CONDUIT ITEMS

Braces.	Insulator pins.
Brackets.	Manholes.
Conduits.	Poles.
Crossarms.	Sewer traps.
Cutting and trimming trees.	Stenciling letters or numbers.
Guy stubs and wires.	Towers.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers, that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

§ 14.522 General office buildings. This account shall include the cost of buildings devoted to general office purposes and their permanent fixtures; architects' fees; and expense of grading, improving, and fencing grounds.

DETAILS

Breakwaters.	Pavements.
Coal bins.	Power systems, interior.
Drainage and sewerage.	Sidewalks.
Electric wiring.	Stairways.
Elevators and machinery.	Subways.
Fences.	Telephone, interior.
Heating plants.	Telegraph, interior.
Hedges.	Telpher systems.
Lighting plants.	Water supply.

§ 14.523 Shops, carhouses, and garages. This account shall include the cost of labor and material used in erecting buildings to be used as shops, car sheds, carhouses, oil houses, sand houses, and storehouses, including foundations, except those special to particular machines and apparatus, pits, transfer tables, turntables, and built-in scales; heating and lighting apparatus; water, gas, and sewer pipes and connections; architects' fees; preparing grounds before and clearing grounds after construc-

tion; painting; and transportation and incidental expenditures.

DETAILS

Ash pits and plants.	Pipe lines.
Bins.	Planing mills.
Blacksmith shops.	Scales (built-in).
Car sheds and shops.	Sidewalks.
Carpenter shops.	Storehouses.
Drop pits.	Tanks.
Foundries.	Tin shops.
Heating plants.	Tool houses.
Laboratories.	Transfer tables.
Lighting.	Turntables.
Lumber sheds.	Upholstering shops.
Machine shops.	Warehouses.
Oil houses.	Wash rooms.
Paint shops.	Watch houses.

NOTE: The cost of foundations special to particular machines or apparatus shall be included in the accounts to which the cost of such machines or apparatus is chargeable.

§ 14.524 Stations, miscellaneous buildings, and structures. This account shall include the cost of labor and material used on stations, waiting rooms, and other buildings not provided for elsewhere in the road and equipment accounts, including excavation, foundations, and drainage; water, gas, and sewer pipes and connections; grading, improving, and fencing grounds; heating and lighting apparatus and fixtures, and all other material and fixtures used to complete the buildings; and cost of track scales and cattle chutes.

STATION DETAILS

Baggage rooms.	Pavements.
Breakwaters.	Platforms.
Buildings.	Power systems, interior.
Bins.	Reading rooms.
Coal machinery.	Scales and houses.
Drainage and sewerage.	Sidewalks.
Dwellings.	Station intertrack fences.
Eating houses.	Stairways.
Electric wiring.	Subways.
Elevators and machinery.	Station powerhouses.
Express buildings.	Stations, freight.
Fences.	Stations, passenger.
Freight cranes and derricks.	Stock bins.
Freight houses.	Storehouses.
Grain elevators.	Telegraph offices.
Greenhouses.	Telpher systems.
Heating plants.	Track scales.
Hedges.	Transfer houses.
Ice houses.	Waiting rooms.
Lighting plants.	Warehouses.
Mail cranes.	Water supply systems.
Milk stands.	Yard buildings.

§ 14.525 Wharves and docks. This account shall include the cost of wharves, docks, drydocks, slips, float bridges, and other landings for vessels, including necessary dredging and the cost of float-bridge or ferry-bridge machinery and other appurtenances on docks and wharves; also piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS

Bridge pontoons.	Ferry racks.
Bulkheads.	Ferry slips.
Caissons.	Jetties.
Cribwork.	Jetty inclines.
Drydocks.	Transfer-bridge machinery.
Ferry-bridge machinery.	Transfer bridges.
Ferry bridges.	

NOTE A: The cost of restoring the condition of wharves and of the land upon which they

are situated after betterment work shall be charged to Operating Expenses.

NOTE B: The cost of land on which additional wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 503, "Other land used in electric railway operations."

§ 14.526 Park and resort property. This account shall include the cost of amusement parks or resorts.

NOTE: The cost of land used for such purposes shall be charged to account 503, "Other land used in electric railway operations."

§ 14.528 Reconstruction of road property acquired. When road property acquired is in such physical condition that it is necessary to substantially rebuild the property in order to bring it up to the standard required for operation, expenditures for such reconstruction, less retirements in connection therewith, shall be temporarily included in this account.

When the reconstruction is completed, the carrier shall present a statement of the net cost to the Commission for approval, and request authority to clear the amount by charges to the appropriate primary road accounts.

NOTE A: A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

NOTE B: When the work of reconstruction of road purchased is completed the cost thereof shall be credited to this account and charged to other primary accounts appropriate for the expenditures made.

§ 14.529-1 Steam railway road property. This account may include the cost of steam railway operating property, other than equipment, owned and used by the carrier in conducting its steam railway operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its system of accounts for steam roads.

§ 14.529-2 Water line terminal property. This account may include the cost of water line property, other than equipment, owned and used by the carrier in conducting its water line operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its system of accounts for carriers by water.

§ 14.529-3 Motor carrier property. This account may include the cost of motor carrier operating property, other than equipment, owned and used by the carrier in conducting its motor carrier operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers.

§ 14.500-2 Equipment. To the appropriate accounts under this general account shall be charged the cost of all equipment not includable under general account Power, such as locomotives; pas-

senger, baggage, express, freight, mail, work, and nonrevenue cars; floating and other equipment; the necessary appurtenances and fixtures first to equip for service; the cost of inspection, setting up, and trying out; the cost of transportation over foreign lines; and cost of additional devices, appliances, and apparatus applied to equipment, such as electric headlights, power brakes, vestibules, heating and lighting apparatus, and the like; also the excess cost of improved appliances and parts over the original cost of such appliances and parts removed. The cost of removing the old appliances and applying the new appliances shall be charged to Operating Expenses.

The ledger value of equipment retired shall be credited to the appropriate primary account at the time it is retired from service. The amount of this credit shall be charged concurrently as follows:

The service value (ledger value less value of salvage) less any insurance recovered shall be charged to account 401-3, "Reserve for depreciation—Road and equipment." The charge for the salvage shall be in accordance with the disposition of the material recovered. The cost of dismantling the retired equipment, if borne by the carrier, shall be charged to the appropriate account for dismantling equipment.

When equipment is converted, the accounting shall be as provided in § 14.06-6 *Adjustments for converted property.*

When secondhand equipment is acquired in such physical condition that it is necessary to make extensive repairs to bring it up to the standard maintained by the carrier, the cost of such repairs shall be included in the accounts appropriate for recording the cost of the equipment. A statement of the amount necessary to recondition the equipment shall be presented to the Commission as soon as the figures are available.

When equipment is rebuilt so as to modernize it and create an expectation of life fairly comparable with new units of similar type and capacity, the equipment shall be accounted for as retired from service and its cost after rebuilding shall be charged to the appropriate primary accounts. The cost of the rebuilt equipment shall be the sum of:

(1) Cost of new material applied.

(2) Current market price new of secondhand parts applied or remaining therein, less allowance for secondhand condition.

(3) Cost of labor constructing the rebuilt units: *Provided*, Such cost shall not exceed the cost (at current market prices of labor and material) of a new unit of equal capacity and life expectancy, less a suitable allowance for secondhand parts included therein.

§ 14.530 Passenger cars. This account shall include the cost of passenger, baggage, sleeping, dining, parlor, chair, and combination passenger-service cars from the operation of which revenue is derived.

The term car includes body and trucks, and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car. The term combination car includes all cars that are used in part for carrying passengers.

NOTE: For list of cars and appurtenances, see account 30, "Passenger and combination cars."

§ 14.531 Freight, express, and mail cars. This account shall include the cost of freight, express, and mail cars from the operation of which revenue is derived.

The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car.

NOTE: For list of cars and appurtenances, see account 31, "Freight, express, and mail cars."

§ 14.532 Service equipment. This account shall include the cost of water cars, sprinkler cars, sand cars, salt cars, supply cars, and maintenance of way and line cars; snow plows, sweepers, scrapers, and miscellaneous snow-handling equipment; and pile drivers, rail grinders, cranes, welding and bonding apparatus, and similar equipment, where permanently mounted on cars.

NOTE: For list of cars and appurtenances, see account 32, "Service equipment."

§ 14.533 Electric equipment of cars. This account shall include the cost of electric motive equipment and wiring of cars, whether revenue or work cars, including cost of labor, material, tools, freight, hauling of material, and other expense incident to this work.

By electric equipment of cars is meant the electric motive equipment and the wiring for such equipment.

§ 14.534 Locomotives. This account shall include the cost of locomotives, including appurtenances, fixtures, and electric equipment necessary to fit them for service, and cost of labor, material, tools, freight, hauling of material, and other expense incident thereto.

To this account shall be charged the cost of steam or other locomotives and tenders, including all appurtenances and fixtures necessary to equip them for service.

§ 14.535 Floating equipment. This account shall include the cost of marine or floating equipment of all kinds, including appurtenances, furniture, and fixtures necessary to equip them for service and cost of inspection and transportation.

§ 14.536 Shop equipment. This account shall include the cost of machinery and other apparatus in shops and warehouses, including specially provided foundations and settings. It includes the cost of stationary engines, boilers, motors, shafting, belting, cranes, forges, scales, conduits, fixtures, other machinery, and tools to first equip a shop.

NOTE: For list of ship equipment, see account 36, "Shop equipment."

§ 14.537 Furniture. This account shall include the cost of movable furniture and fittings for general offices, shops, power plant and substation buildings, stations, waiting rooms, etc., such as desks, tables, chairs, carpets, cases, movable partitions, railings, and shelves; typewriters, addressing machines, adding machines, and other office devices;

RULES AND REGULATIONS

DAMS, CANALS, AND PIPE LINES

Aqueducts.	Penstocks.
Bridges.	Reservoirs.
Fences.	Roadways.
Forebays.	Sluices.
Gates.	Valves.
Grids.	Water rights.
Inlet valves.	

stoves, portable gas and electric fixtures, and other office fittings (except fixtures considered a part of the building).

§ 14.538 *Automotive and miscellaneous equipment.* This account shall include the cost of automobiles, trucks, tractors, and other highway vehicles.

§ 14.538-1 *Steam railway equipment.* This account may include the cost of steam railway equipment owned and used by the carrier in conducting its operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its system of accounts for steam roads, if it elects to make the segregation.

§ 14.538-2 *Water line equipment.* This account may include the cost of marine or floating equipment owned and used by the carrier in conducting its water line operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

§ 14.538-3 *Motor carrier equipment.* This account may include the cost of motor carrier equipment owned and used by the carrier in conducting its motor carrier operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers, if it elects to make the segregation.

§ 14.500-3 *Power.* The general account for investment in power plants, power plant equipment, and transmission systems embrace the following primary accounts:

§ 14.539 *Power plants.* This account shall include the cost of power plant and substation buildings (housing equipment provided for in account 542, "Power plant equipment"); all foundations, other than those special to particular machines and apparatus; also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and connections, fixtures (including wiring) for lighting and heating and miscellaneous fixtures, shall be considered part of the power plant buildings.

When a lighting business is conducted in connection with electric railway operations, and the use of the power plant for the lighting business greatly predominates, the entire cost of the power plant shall be included in account 404, "Miscellaneous physical property."

POWER PLANT STRUCTURES

Buildings.	Pavements.
Coal pockets and trestles.	Platforms.
Coal bunkers.	Protection against fire.
Fences.	Smoke stacks, chimneys, etc.
Foundations (not special to machines).	Tanks.
Heating and lighting plant buildings.	Water, sewer, gas, and drainage pipes.
	Wells.

kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

§ 14.542 *Power plant equipment.* This account shall include the cost of labor and material used in equipping power plants and substations for generating power; including cost of engines, boilers, pumps, condensers, and equipment for generating steam power; dynamos, generators, wiring and appliances, and other equipment for generating electric current; special foundations and settings; traveling cranes, and switchboards with their fixtures and appliances. The cost of cables and of machinery for the propulsion of cables used in the operation of cable or incline railways shall be charged to this account. When a lighting business is conducted in connection with the electric railway operations, and the use of the power plant for the lighting business greatly predominates, the entire cost of the equipment for generation of power for lighting shall be included in account 404, "Miscellaneous physical property."

ITEMS

Air compressors.	Hoists.
Ammeters.	Insulators.
Ash-conveying machinery.	Machinery.
Batteries.	Mechanical stokers.
Battery-charging apparatus.	Metal stocks.
Belting.	Piping.
Boilers and fittings.	Purifiers.
Boosters.	Rheostats.
Cables, interior.	Rotary converters.
Circuit breakers.	Sewer appliances.
Clutches.	Shafting.
Coal machinery.	Special foundations.
Condensers.	Stationary engines.
Conductors.	Steam systems.
Cranes.	Switchboards.
Cut-outs.	Switches.
Draft machinery.	Tanks.
DYNAMOS.	Transformers.
Engine-room tools.	Turbines.
Feed water heaters.	Voltmeters.
Furnaces.	Water meters.
Generators.	Water wheels.
	Well pumps.
	Wiring.

NOTE: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

§ 14.544 *Transmission system.* This account shall include the cost of labor and material used in constructing transmission system, including cost of poles, fixtures, and conduits used primarily for carrying transmission lines; cables, wires, insulators, and insulating material; cost of cutting and trimming trees for transmission lines; and cost of constructing roads or footways for patrolling such lines.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers, that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and

kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

§ 14.500-4 *General.* The primary accounts in this general account are provided to include payments to a State or political subdivision thereof for franchise rights; expenditures incident to organizing the corporation; and expenditures in connection with construction work in progress until completed and placed in service.

All other expenditures of a general or miscellaneous character previously assignable to primary accounts 546 to 550, inclusive, hereafter shall be distributed equitably, and recorded under separate subheadings in the appropriate primary road and equipment accounts to which the expenditures relate. Such items are:

(a) Specific and distinct expenses not provided for elsewhere, relating to law services in connection with acquisition or construction of road and equipment property.

(b) Interest accruing on indebtedness incurred for acquisition and construction of road and equipment property (less interest, if any, allowed by depositaries on unexpended balances), from time the funds become available for use until the receipt or completion of the property, less premium, and plus discount and expense on any indebtedness assignable to such period.

The proportion of premium or discount and expense shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements and the entire period from the date of issue to maturity of the evidences of debt.

Interest during the construction period shall be confined to interest paid for the use of borrowed funds and shall not include interest on the carrier's own funds expended in connection with the acquisition or construction of road and equipment property.

(c) Expenditures on account of persons killed or injured and damages to property in connection with the construction of road and equipment property.

(d) All taxes levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations.

(e) Miscellaneous expenditures of a special or incidental nature in connection with the acquisition or construction of road and equipment.

§ 14.545 *Franchises.* This account shall include actual amounts paid to a State or to a political subdivision thereof in consideration of franchises running in perpetuity or for a specified term of more than one year and necessary to the conduct of the carrier's operations. Similar payments for perpetual or limited franchises covering additional territory shall also be charged to this account.

NOTE A: Payments made periodically in the nature of taxes, percentages of revenues, etc., shall be included in income account 215,

"Taxes assignable to transportation operations."

NOTE B: Balance sheet account 444, "Reserve for amortization of franchises," has been provided, to which may be credited monthly and charged to operating expense account 91, "Amortization of franchises," a monthly proportion of annual amounts which, written off proportionately over the life of limited franchises, will create a reserve sufficient, at time of expiration of franchises, to offset the amount charged to this account for such franchises. Upon expiration of a franchise, account 444, "Reserve for amortization of franchises," shall be debited and this account shall be credited with the amount paid therefor.

§ 14.546 Organization expenditures. This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; cost of soliciting subscription for stock; cash fees paid promoters, and the actual cash value (at time of organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from state authorities; and other similar costs.

§ 14.551 Construction work in progress. This account shall include the cost of constructing railway property during the period from the date the work is started until the facilities are completed and become available for service. When any property, the cost of which has been included in this account, is completed and placed in service, the cost thereof shall be credited to this account and charged to the primary account appropriate according to the character of the property.

The cost of land for which there is a definite plan for use in railway service shall be included in this account until the facilities constructed thereon are completed and placed in service.

By the Commission, Division 1.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 47-8391; Filed, Sept. 10, 1947;
10:21 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter C—Miscellaneous Excise Taxes

PART 171—MISCELLANEOUS REGULATIONS RELATING TO LIQUOR

SUBPART B-3—SEIZURES IN CONNECTION WITH CONTRABAND FIREARMS

Correction

The reference to "§ 171.4e" contained in § 171.4h, appearing in Title 26, Chapter I, of the Cumulative Supplement to the Code of Federal Regulations, is corrected to read "§ 171.4g".

TITLE 32—NATIONAL DEFENSE

Chapter VIII—Office of International Trade, Department of Commerce

Subchapter B—Export Control

[Amdt. 350]

PART 801—GENERAL REGULATIONS

PROHIBITED EXPORTATIONS

Section 801.2 *Prohibited exportations* is amended as follows:

The list of commodities set forth in paragraph (b) is amended by deleting therefrom the following commodity:

Dept. of Comm. Sched. B No.	Commodity
709500	Electrical machinery and apparatus; Contractor switches and parts; flush switches and parts; interior cut-outs and parts; key sockets and parts; keyless sockets and parts; lamp sockets and parts; mogul sockets and parts; pull-chain sockets and parts; push sockets and parts; push-button switches and parts; snap switches and parts, rotary; surface switches and parts; wiring sockets; receptacles and parts (report receptacles, charging and train line in 709800); toggle switches and parts; tumbler switches and parts; except duplex receptacles; flush toggle and flush tumbler switches, single pole and three-way, 10 amperes and under at 125 volts.

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215; Pub. Law 145, 80th Cong., Pub. Law 188, 80th Cong.; 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245)

Dated: September 5, 1947.

FRANCIS MCINTYRE,
Director,
Export Control Branch.

[F. R. Doc. 47-8351; Filed, Sept. 10, 1947;
8:49 a. m.]

[Amdt. 351]

PART 801—GENERAL REGULATIONS

PROHIBITED EXPORTATIONS

Section 801.2 *Prohibited exportations* is amended as follows:

The list of commodities set forth in paragraph (b) is amended by deleting therefrom the following commodities:

Dept. of Comm. Sched. B No.	Commodity
657205	Zinc and manufactures:
657209	Zinc photoengraving sheets.
657209	Zinc sheets, n. e. s., and strip.
667307	Zinc die castings.
658903	Zinc photoengraving plates, unfinished (include plates containing 20% or more zinc).

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215; Pub. Law 145, 80th Cong., Pub. Law 188, 80th Cong.; 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245)

App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245)

Dated: September 5, 1947.

FRANCIS MCINTYRE,
Director,
Export Control Branch.

[F. R. Doc. 47-8352; Filed, Sept. 10, 1947;
8:50 a. m.]

[Amdt. 352]

PART 801—GENERAL REGULATIONS

PROHIBITED EXPORTATIONS

Section 801.2 *Prohibited exportations* is amended as follows:

The list of commodities set forth in paragraph (b) is amended in the following particulars:

The dollar value limits in the column headed "GLV Dollar Value Limits" set opposite each of the commodities listed below are amended to read as follows:

Dept. of Comm. Sched. B No.	Commodity	GLV dollar value limits country group	
		K	E
105500	Grains and preparations:		
	Paddy or rough rice, except seed.	10	10
105500	Paddy or rough rice for seed.	10	10
105700	Milled rice, including brown rice, broken rice and rice screenings.	10	10
105800	Rice flour, meal and polish.	10	10
107100	Wheat (bu. 60 lbs.) (include seed).	25	25
107300	Wheat flour, wholly of U. S. wheat (except in cases or in small packages) (include graham, malt, pastry and macaroni flours).	10	10
107400	Wheat flour, not wholly of U. S. wheat (except in cases or in small packages) (include graham, malt, pastry and macaroni flours).	10	10
108100	Farina.	10	10
109000	Wheat semolina.	10	10
109900	Wheat flour in cases or small packages and all preparations containing wheat flour classified under Schedule B No. 109900.	10	10

Shipments of any of the above commodities whose GLV Dollar-value limits have been reduced, which were on deck, on lighter, laden aboard an exporting carrier, or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this amendment may be exported under the previous general license provisions.

This amendment shall become effective September 15, 1947.

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215; Pub. Law 145, 80th Cong., Pub. Law 188, 80th Cong.; 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245)

Dated: September 5, 1947.

FRANCIS MCINTYRE,
Director,
Export Control Branch.

[F. R. Doc. 47-8353; Filed, Sept. 10, 1947;
8:50 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Bureau of Animal Industry

[9 CFR, Part 27]

MEAT INSPECTION REGULATIONS

NOTICE OF PROPOSED AMENDMENT

Notice is hereby given that the Secretary of Agriculture, pursuant to the authority vested in him by section 306 of the Tariff Act of 1930 (46 Stat., 639; 19 U. S. C. 1306), proposes to amend § 27.2 of Subchapter A, Chapter I, Title 9, Code of Federal Regulations, to read as follows:

§ 27.2 Importation of product prohibited if foreign meat inspection not equivalent of that in the United States.

(a) Whenever it shall be determined by the Secretary of Agriculture that the system of meat inspection maintained by any foreign country is not the substantial equivalent of, or is not so efficient as, the system established and maintained by the United States, or that reliance cannot be placed upon certificates required under this part from authorities of such foreign country, due notice will be given of that fact by proclamation or otherwise, and thereafter no product as to which the inspection or certification is determined to be insufficient shall be admitted into the United States from such foreign country.

(b) Product from Argentina, Australia, Belgium, Brazil, Canada, Cuba, Czechoslovakia, Denmark, Dominican Republic, England and Wales, Finland, France, Iceland, Ireland (Eire), Italy, Luxembourg, Madagascar, Netherlands, New Zealand, Northern Ireland, Norway, Paraguay, Scotland, Spain, Sweden, Switzerland, Uruguay, and Venezuela, covered by a foreign official meat-inspection certificate of the respective country of origin as required by § 27.6 is eligible for importation into the United States after inspection and marking as required by this part. Except as provided for by

§ 27.18, product from foreign countries other than those listed is not eligible for importation into the United States.

Any person who wishes to submit written data or arguments concerning the proposed amendment may do so by filing them with the Chief of the Bureau of Animal Industry, Agricultural Research Administration, Department of Agriculture, within two weeks after the date of publication of this notice in the FEDERAL REGISTER.

Issued this 5th day of September 1947.

[SEAL] CHARLES F. BRANNAN,
Acting Secretary of Agriculture.

[F. R. Doc. 47-8345; Filed, Sept. 10, 1947;
8:48 a. m.]

Production and Marketing Administration

[7 CFR, Part 802]

SUGAR DETERMINATIONS

NOTICE OF HEARINGS AND DESIGNATION OF PRESIDING OFFICERS

Pursuant to the authority contained in subsections (b) and (d) of Section 301 of the Sugar Act of 1937 (Public No. 414, 75th Congress), as amended, notice is hereby given that public hearings will be held as follows:

At San Juan, Puerto Rico, in the Auditorium of the Insular Department of Agriculture and Commerce on September 29, 1947, at 9:30 a. m.;

At Christiansted, St. Croix, Virgin Islands, in the Municipal Council Hall on October 2, 1947, at 9:30 a. m.;

At Honolulu, on the Island of Oahu, in the Court Room of the United States District Court for the Territory of Hawaii in the Federal Building at Honolulu on October 20, 1947, at 9:30 a. m.;

At Hilo, on the Island of Hawaii, in the Court Room of the United States District Court for the Territory of Hawaii at Hilo on October 22, 1947, at 9:30 a. m.

At Berkeley, California, in the Farm Credit Administration Building on October 29, 1947, at 10:00 a. m.

The purpose of such hearings is to receive evidence likely to be of assistance to the Secretary of Agriculture in determining (1), pursuant to the provisions of section 301 (b) of the said act as extended and reenacted by the Sugar Act of 1948 (Public No. 388, 80th Congress), fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in Puerto Rico, the Virgin Islands, and Hawaii, and sugar beets in California during the calendar or crop year 1948 (1947-48 crop year in Puerto Rico) on farms with respect to which applications for payments under the said acts as made, and (2), pursuant to the provisions of section 301 (d) of the Sugar Act of 1937 as extended and reenacted by the Sugar Act of 1948, fair and reasonable prices for the 1947-48 Puerto Rican and the 1948 Hawaiian and Virgin Islands crops of sugarcane and the 1948 crop of sugar beets in California, to be paid under either purchase or toll agreements by processors who, as producers, apply for payments under the said acts.

Such hearings, after being called to order at the time and places mentioned herein, may be continued from day to day within the discretion of the presiding officers, and may be adjourned to a later day or to a different place without notice other than the announcement thereof at the hearings by the presiding officers.

J. H. Marshall, W. S. Stevenson, G. Laguardia, and W. N. King are hereby designated as presiding officers to conduct, either jointly or severally, the foregoing hearings.

Issued this 5th day of September 1947.

[SEAL] CHARLES F. BRANNAN,
Acting Secretary of Agriculture.

[F. R. Doc. 47-8344; Filed, Sept. 10, 1947;
8:47 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

WYOMING

STOCK DRIVEWAY WITHDRAWAL NO. 128, WYOMING NO. 13, MODIFIED

By virtue of the authority contained in section 7 of the act of June 28, 1934, 48 Stat. 1272, as amended by the act of June 26, 1936, 49 Stat. 1976 (U. S. C. Title 43, sec. 315f), and in section 10 of the act of December 29, 1916, 39 Stat. 865, as amended by the act of January 29, 1929, 45 Stat. 1144 (U. S. C., Title 43, sec. 300), it is ordered as follows:

The following-described public lands in Wyoming are hereby classified as necessary and suitable for the purpose and,

excepting any mineral deposits therein, are withdrawn from all disposal under the public-land laws and reserved, subject to valid existing rights, for the use of the general public as an addition to Stock Driveway Withdrawal No. 128, Wyoming No. 13:

SIXTH PRINCIPAL MERIDIAN

T. 39 N., R. 83 W.,
Sec. 3, SW $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ NW $\frac{1}{4}$.

The area described contains 120 acres.

Any mineral deposits in the lands shall be subject to location and entry only in the manner prescribed by the Secretary of the Interior in accordance with the provisions of the aforesaid act of January 29, 1929, and such regulations as have been or may be issued thereunder.

The order of the Secretary of the Interior of March 18, 1929, establishing Stock Driveway Withdrawal No. 128, Wyoming No. 13, is hereby revoked so far as it affects the lands hereinafter described.

This order shall become effective immediately as to the leasing for grazing purposes of the lands released from withdrawal by this order but shall not otherwise become effective to change the status of such lands until 10:00 a. m. on November 4, 1947. At that time the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days

from November 4, 1947 to February 2, 1948, inclusive, the public lands released from withdrawal by this order shall be subject to (1) application under homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U.S.C. sec. 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U.S.C. secs. 279-283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from October 15, 1947, to November 4, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a.m. on November 4, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference-right filings authorized by the public-land laws.* Commencing at 10:00 a.m. on February 3, 1948, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference-right filings.* Applications by the general public may be presented during the 20-day period from January 14, 1948 to February 2, 1948, inclusive, and all such applications, together with those presented at 10:00 a.m. on February 3, 1948, shall be treated as simultaneously filed.

Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Office at Cheyenne, Wyoming, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1944, 43 L.D. 254), and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Office at Cheyenne, Wyoming.

The lands released by this order are described as follows:

SIXTH PRINCIPAL MERIDIAN

T. 39 N., R. 82 W.,
Sec. 18, lots 3, 4, and SE $\frac{1}{4}$ SW $\frac{1}{4}$.

The area described contains 117.24 acres. The character of the lands is hilly and broken, having a third rate soil, composed of sand and clay.

C. GIRARD DAVIDSON,

Assistant Secretary of the Interior.

SEPTEMBER 2, 1947.

[F. R. Doc. 47-8338; Filed, Sept. 10, 1947;
8:46 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

HANDICAPPED CLIENTS EMPLOYMENT CERTIFICATES

ISSUANCE TO SHELTERED WORKSHOPS

Notice of issuance of special certificates for the employment of handicapped clients by sheltered workshops under the Fair Labor Standards Act of 1938, as amended, and the Walsh-Healey Public Contracts Act, as amended.

Notice is hereby given that special certificates authorizing the employment of handicapped clients at hourly wage rates lower than the minimum wage rates applicable under section 6 of the Fair Labor Standards Act of 1938 and section 1 (b) of the Walsh-Healey Public Contracts Act have been issued to the sheltered workshops hereinafter mentioned, under section 14 of the Fair Labor Standards Act of 1938 (Sec. 14, 52 Stat. 1068; 29 U.S.C. 214) and Part 525 of the regulations issued thereunder (29 CFR, Cum. Supp., Part 525, amended 11 F. R. 9556), and under sections 4 and 6 of the Walsh-Healey Public Contracts Act (secs. 4, 6, 49 Stat. 2038; 41 U.S.C. 38, 40) and Article 1102 of the regulations issued pursuant thereto (41 CFR, Cum. Supp., 2011102).

The names and addresses of the sheltered workshops to which certificates were issued, wage rates, and the effective and expiration dates of the certificates are as follows:

1. Institute for the Crippled and Disabled, 400 First Avenue, New York 10, New York, at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 10 cents per hour, whichever is higher; certificate is effective September 1, 1947, and expires February 28, 1948.

2. Altro Work Shops, Inc., 1021 Jennings Avenue, Bronx 60, New York, at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 10 cents per hour, whichever is higher; certificate is effective September 1, 1947, and expires February 29, 1948.

3. Mount Sinai Hospital, 1 East 100th Street, New York, New York; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in

the same occupation in regular commercial industry maintaining approved labor standards, or not less than 30 cents per hour, whichever is higher; certificate is effective September 1, 1947, and expires March 1, 1948.

4. Goodwill Industries of New York, Inc., 123 East 124th Street, New York, New York; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 10 cents per hour, whichever is higher; certificate is effective September 3, 1947, and expires March 3, 1948.

The employment of handicapped clients in the above-mentioned sheltered workshops under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 525 of the regulations. These certificates have been issued on the applicants' representation that they are sheltered workshops as defined in the regulations and that special services are provided their handicapped clients. A sheltered workshop is defined as, "A charitable organization or institution conducted not for profit, but for the purpose of carrying out a recognized program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, and to provide such individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature."

The certificates may be cancelled in the manner provided in the regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the *FEDERAL REGISTER*.

Signed at Washington, D. C., this 29th day of August 1947.

RAYMOND C. GARCEAU,
Director,
Field Operations Branch.

[F. R. Doc. 47-8338; Filed, Sept. 10, 1947;
8:46 a. m.]

FEDERAL POWER COMMISSION

[Docket No. IT-6081]

GULF STATES UTILITIES CO.

NOTICE OF APPLICATION

SEPTEMBER 5, 1947.

Notice is hereby given that on September 4, 1947, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Gulf States Utilities Company, a corporation organized under the laws of the State of Texas and doing business in the States of Texas and Louisiana with its principal business office at Beaumont, Texas, seeking an order authorizing the issuance of \$1,000,000 Secured Note payable to Irving Trust Company, New York, New York, to mature not later than June 30, 1948, bearing interest at the rate 1½% per annum to be secured by \$1,000,000 principal amount of 1976 Series Bonds issued in accordance with the provisions of Applicant's Indenture of Mortgage, dated

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September 1, 1926, as supplemented and modified, and the issuance of \$1,000,000 1976 Series Bonds bearing interest at the rate of 2½% per annum to be issued on the basis of property owned by applicant on December 1, 1945, pursuant to the Seventh Supplemental Indenture dated as of May 1, 1946; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard, or to make any protest with reference to said application should, on or before the 25th day of September, 1947, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL]

J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 47-8325; Filed, Sept. 10, 1947;
8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[S. O. 396, Special Permit 283]

RECONSIGNMENT OF POTATOES AT KANSAS CITY, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Kansas City, Mo., September 3, 1947, by Cochrane Brokerage Co., of car FGE 52759, potatoes, now on the CB&Q RR to Chicago, Ill. (CB&Q).

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 3d day of September 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-8342; Filed, Sept. 10, 1947;
8:47 a. m.]

[S. O. 396, Special Permit 284]
RECONSIGNMENT OF ONIONS AT
PHILADELPHIA, PA.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Philadelphia, Pa., September 3, 1947, by Dan Storey, of car PFE 44599, onions, now on the Pennsylvania Railroad to New York, N. Y.

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 3d day of September 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-8343; Filed, Sept. 10, 1947;
8:47 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-1591]

IOWA PUBLIC SERVICE CO. AND SIOUX CITY GAS AND ELECTRIC CO.

ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 4th day of September 1947.

Sioux City Gas and Electric Company ("Sioux City"), a public utility company and a registered holding company, and its subsidiary, Iowa Public Service Company ("Iowa Public"), also a public utility company and a registered holding company, having filed on application-declaration and amendments thereto, pursuant to sections 6 (a), 7, 9, 10 and 12 (f) of the Public Utility Holding Company Act of 1935 and Rules U-43 and U-50 promulgated thereunder, relating to the transactions summarized below:

Iowa Public proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, \$3,500,000 principal amount of First Mortgage Bonds, _____% Series, due 1977.

Iowa Public also proposes to issue 109,866 shares of additional common stock of a par value of \$15 per share, pursuant to a warrant offering to its common stockholders, at the rate of ½ of a share of additional common stock for each share of common stock held, at a price to be determined by the Board of Directors on or about September 11, 1947, which price will be approximately \$3 below the market price at such time, but not below \$15 per share. The holders of warrants will also be entitled to subscribe, at the same price and, subject to allotment, for the shares covered by outstanding unexercised warrants.

Sioux City proposes to exercise the warrants to be received by it and to sub-

scribe for 66,359 shares of common stock and, in addition, to subscribe for 6,592 additional shares subject to allotment. Sioux City also proposes to purchase at the same price any shares of the common stock of Iowa Public which are not subscribed for either on the basis of shares covered by warrants or as a result of subscriptions for additional shares subject to allotment.

Sioux City further proposes, pursuant to the terms of a loan agreement, to issue and sell privately to Bankers Trust Company (New York) a promissory note or notes, in the aggregate principal amount of \$1,800,000, bearing interest on the unpaid principal amount at the rate of 1¾% per annum payable quarterly and maturing in two years from the date of issue. The application-declaration indicates that the said notes will be paid with cash derived from earnings and from the sale of common stock.

The application-declaration also states that Iowa Public will use the net proceeds from the sale of the bonds and additional common stock to provide a portion of the funds required for permanent improvements, extensions and additions or to reimburse its treasury in part for expenditures made for such purposes. The application-declaration further states that Sioux City will use the proceeds of the sale of its notes for permanent improvements, extensions and additions to its property and to acquire shares of common stock of Iowa Public.

Said application-declaration having been filed on August 8, 1947, and notice of such filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to the act, and the Commission not having received a request for hearing with respect to said application-declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The applicants-declarants having requested that the Commission's order become effective forthwith; and

The Commission finding with respect to the proposed transactions that the requirements of the applicable provisions of the act and rules promulgated thereunder are satisfied, that no adverse findings are necessary and deeming it appropriate in the public interest and in the interest of investors and consumers that said application-declaration be granted and permitted to become effective and that the company's request that the order become effective forthwith be granted:

It is hereby ordered, That, pursuant to Rule U-23, said application-declaration be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 and subject to the further conditions that the proposed transactions shall not be consummated until the results of the competitive bidding pursuant to Rule U-50 with respect to the bonds have been made a matter of record herein and a further order shall have been entered with respect thereto, which order may contain such further terms and conditions as may then be deemed appropriate, for which purpose jurisdiction is hereby reserved.

It is further ordered, That jurisdiction be, and the same hereby is, reserved with respect to the fees and expenses of all counsel in connection with the proposed transactions.

By the Commission.

[SEAL]

ORVAL L. DUBoIS,
Secretary.

[F. R. Doc. 47-8340; Filed, Sept. 10, 1947;
8:47 a. m.]

[File No. 70-1601]

METROPOLITAN EDISON CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 3d day of September 1947.

Notice is hereby given that an application has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") by Metropolitan Edison Company, a subsidiary of General Public Utilities Corporation, a registered holding company. Applicant has designated section 6 (b) of the act and Rule U-50 promulgated thereunder as applicable to the proposed transaction.

Notice is further given that any interested person may, not later than September 16, 1947, at 5:30 p. m., e. d. s. t., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest and the issues of fact or law raised by said application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. At any time after September 16, 1947, said application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

All interested persons are referred to said application which is on file in the offices of this Commission for a statement of the transaction therein proposed, which is summarized as follows:

Applicant will issue and sell, pursuant to the competitive bidding requirements of Rule U-50, \$4,500,000 principal amount of First Mortgage Bonds, --% Series, due 1977. The 1977 series bonds are to be issued under and secured by an indenture dated November 1, 1944, as supplemented, and a proposed supplemental indenture to be dated September 1, 1947. The proceeds from the sale of the 1977 series bonds are to be used for construction purposes and to reimburse the company's treasury for expenditures made for bondable value of property additions which have not been used for any purpose permitted under the company's indenture.

Applicant states that the transaction is subject to the jurisdiction of the Pennsylvania Public Utility Commission and

a copy of the securities certificate of that Commission will be filed as an amendment to the application.

Applicant requests that this Commission enter its order at the earliest date practicable.

By the Commission.

[SEAL]

ORVAL L. DUBoIS,
Secretary.

[F. R. Doc. 47-8341; Filed, Sept. 10, 1947;
8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616, E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 9644]

WANDA L. AUTOR

In re: Stock owned by Wanda L. Autor.
F-28-25186-D-1, F-28-25186-D-2.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Wanda L. Autor, whose last known address is c/o Neumann, Haupstr. 69, Berlin-Friedenau, Germany, is a resident of Germany and a national of a designated enemy country (Germany);
2. That the property described as follows:

a. Five (5) shares of \$50 par value capital stock of The Pennsylvania Railroad Company, 1617 Pennsylvania Boulevard, Philadelphia, Pennsylvania a corporation organized under the laws of the State of Pennsylvania, evidenced by certificate number N268825, registered in the name of Wanda L. Autor (Miss), together with all declared and unpaid dividends thereon,

b. One (1) share of \$100 par value capital stock of American Telephone & Telegraph Company, 195 Broadway, New York, New York, a corporation organized under the laws of the State of New York, evidenced by Certificate Number FN58252, registered in the name of Miss Wanda L. Autor, together with all declared and unpaid dividends thereon, and

c. That certain debt or other obligation of American Telephone & Telegraph Company, 195 Broadway, New York, New York, in the amount of \$1.51, as of December 31, 1945, arising out of the sale of certain subscription rights issued by said American Telephone & Telegraph Company, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the aforesaid debt or other obligation,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not

within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest.

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on August 13, 1947.

For the Attorney General.

[SEAL]

DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-8347; Filed, Sept. 10, 1947;
8:49 a. m.]

[Vesting Order 9661]

PAULINE AND GEORGE MOHR

In re: Debts owing to Pauline Mohr and George Mohr. F-28-23761-D-1, F-28-23761-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Pauline Mohr and George Mohr, whose last known addresses are Schoenwalderstrasse 29, Spandau, Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation represented by one Sheridan Melrose Building Corporation 15 year, 4% non-cumulative income and sinking fund registered bond, due March 1, 1950, of \$3,000 face value, bearing the number 768/733, registered in the name of Pauline Mohr and George Mohr, Jointly, and any and all rights to demand, enforce and collect the aforesaid debt or other obligation, and

b. Those certain debts or other obligations evidenced by four (4) checks drawn on the City National Bank and Trust Company of Chicago, 208 South LaSalle Street, Chicago 90, Illinois, numbered, dated and in the amounts set forth below:

Check No.	Date	Amount
158758	9/2/41	\$37.57
177495	3/6/42	21.75
193130	9/1/42	10.87
200278	3/1/43	10.50

and presently in the custody of City National Bank and Trust Company of Chicago, 208 South LaSalle Street, Chicago

NOTICES

90, Illinois, and any and all rights to demand, enforce and collect the aforesaid debts, and any and all accruals thereto, together with any and all rights in, to and under, including particularly the right to possession of the aforesaid checks,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Pauline Mohr and George Mohr, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on August 13, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-8348; Filed, Sept. 10, 1947;
8:49 a. m.]

[Vesting Order 9736]

HARRY SCHERR

In re: Estate of Harry Scherr also known as Henry Scherr, deceased. File D-28-11775; E. T. sec. 15981.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That William Scherr, Moritz Scherr, Henry Imhof, William Imhof, Mary Imhof, Elizabeth Imhof, Lisbeth Scherr, Anton Scherr and Hans Scherr, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraph 1 hereof, and each of them in and

to the estate of Harry Scherr also known as Henry Scherr, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by Francis J. Mulligan, as administrator, acting under the judicial supervision of the Surrogate's Court of New York County, New York;

and it is hereby determined:

4. That to the extent that the persons identified in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country", as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on August 28, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-8349; Filed, Sept. 10, 1947;
8:49 a. m.]

SOPHIE CARPENTER GORDIGIANI

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading with the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant: Claim No; Property and Location

Sophie Carpenter Gordigiani, Haverford, Pa.; 5155 and 5156; \$7,896.69 in the Treasury of the United States. All right, title, interest and claim of any kind or character whatsoever of Sophie Carpenter Gordigiani in and to the trust estate created under the will of John Quincy Carpenter, deceased; Trustee, Fidelity-Philadelphia Trust Co., Philadelphia, Pa. All right, title, interest and claim of any kind or character whatsoever of Sophie Carpenter Gordigiani in and to the trust estate created under the will of Mary D. D. Carpenter, deceased; Trustee, Girard Trust Company, Philadelphia, Pa.

Executed at Washington, D. C., on September 8, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-8350; Filed, Sept. 10, 1947;
8:49 a. m.]

[Vesting Order 9719]

JOHANNA KATTER

In re: Bank account owned by Johanna Katter. F-28-28509-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Johanna Katter, whose last known address is Hanover, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to Johanna Katter, by North St. Louis Trust Co., 4323 N. Grand Blvd., St. Louis 7, Missouri, arising out of a Checking Account, entitled Johanna Katter, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on August 25, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-8325; Filed, Sept. 9, 1947;
8:48 a. m.]